

FINANCIAL TIMES

No. 26,711

Monday July 7 1975

** Up

Travis & Arnold
Timber, Building Materials, Heating and Plumbing Equipment for the Construction and Allied Trades. Northampton 52333

NEWS SUMMARY

GENERAL BUSINESS

Callaghan Giro ends lying to Zaire for talks on Uganda

Mr. Callaghan, the Foreign Secretary, is flying to Kinshasa, Zaire capital, where he is expected to arrive tomorrow, to discuss British-Ugandan relations with President Mobutu Sese Sese, who is acting as mediator at President Amin's request. They will talk of the case of a death sentence by Gen. Amin, but Mr. Callaghan's main aim is to get talks direct with the Ugandan President, as it is believed no improvement is to be achieved through third parties. President Mobutu was understood to have given assurances to Mr. Callaghan that he would support last night's radioed Foreign Office announcement, that Gen. Amin was flying to Somalia to see the Somali President, who is outgoing chairman of the Organisation of African Unity. Back Page

EEC verdict is consumer boost

THE RESOUNDING pro-Common Market vote in the June 5 referendum appears to have had a marked effect on the outlook of consumers. The latest FT survey shows that consumers were more optimistic about future prospects in June than at any time for more than a year. The index of consumer confidence rose more than three points from its all-time low. Page 4

Day beds clash

elebrates of 30,000 hospital beds at a BMA conference in London voted for total rejection of the Government decision to close private beds out of national Health Service hospitals. The BMA's annual meeting opens today. Back Page

Carlos' named

who confirmed the reality of Carlos Sanchez, the leader of an international terror network. He is El Chino, Sanchez, 35, who lived in London until five months ago with his mother and two brothers. French police believe he may have fled to the Lebanon after shooting two French secret agents and a Palestinian informer in Paris two weeks ago. He is the son of a Venezuelan communist lawyer, Sanchez, who attended school in the Soviet Union. Back Page

Teacher returning

British schoolteacher Mary Tyler was due to fly to London on Calcutta after more than 10 years in India's State. The Indian Government had dropped charges against Miss Tyler, a member of the Maoist Naxalite movement. Back Page

ape 'bingo'

After judgments on rape cases handed in "legal bingo", MP Jack Ashley wrote a letter to the Lord Chancellor, Lord Elwyn-Jones. "It determines the vital, but fragile, concept of confidence in the law." Back Page

Ombers foiled

no time bombs planted on the way to an Orange parade in Londonderry, County Antrim, were defused by Army bomb experts only a few minutes before the parade was due to go past. Back Page

IPs 'converted'

any former opponents of live broadcasting from Parliament have been converted by the four-week experiment which ended last week, said Mr. Ed Boyle, literary editor of Independent on Sunday. Back Page; Editorial comment, Page 12

Lea for disabled

leisure councils are failing to bid housing for the disabled, according to the Central Council for the Disabled, which today has a three-day conference opened by Housing Minister Reg Freeman. Council director once Wilson said: "Only two local authorities have completed more than ten buildings." Back Page

riefly . . .

people, one a child, scrambled for their motor boat sank in Hapishburgh, Norfolk.
mbleton champion Arthur H. won the U.S. after leading the traditional start of the Wimbledon Ball with women's champion Billie Jean King.
9,000 Premium Bond winner last week was the owner of No. 10, 34460, living in London.
The Financial Times (Iran) won the multi-class class Saturday's Round the Island triathlon, David Palmer, the lead FT, reports on Page 2.

Wilson prepares appeal to miners over £100 pay call

BY ROY ROGERS IN SCARBOROUGH

Pressure on miners' leaders not to line up behind a Left-wing call for a basic rate of £100 a week for coal-face workers will be stepped up here to-day when the Prime Minister addresses the National Union of Mineworkers' delegate conference on the eve of their crucial pay debate.

Mr. Wilson is only too aware that the Government's attempt to limit the next round of annual wage deals to 10 per cent or around 18 a week—whether by voluntary or statutory means—will be jeopardised if the miners adopt the £100 call being spearheaded by Mr. Arthur Scargill, the militant president of the Yorkshire miners.

When he arrives to address the 267 delegates representing Britain's 260,000 miners, Mr. Wilson will find their leaders still deeply divided over the Yorkshire claim, which would give basic rate increases of up to £39 a week.

Moderate

Mr. Wilson's key address will be the climax of a campaign to try to moderate miners' pay aspirations. Waged over recent months, this campaign has included a series of speeches by Ministers and Sir Derek Ezra, chairman of the NCB (who addresses the conference to-morrow), stressing that a big pay deal for miners would spell disaster for the industry because it would reverse its competitive position against oil.

Further moves against the Yorkshire claim, which Mr. Scargill last night insisted must go

before delegates as it stands, can be expected from the union's leading moderates, Mr. Joe Gormley, National President, and Mr. Len Clarke, Nottinghamshire president. Both said over the week-end that the Yorkshire demand would shatter the Government-TUC initiative on pay and ensure statutory wage curbs.

Week-end meetings and behind-the-scenes activity failed to produce any agreed compromise of three motions on pay, although there may be further attempts to compose the two moderate motions—one from the North West area seeking to set £100 for face workers as a longer-term target with pro rata increases for other grades, and one from Nottingham calling for "substantial" increases and parity for face workers with pit deputies.

Yorkshire delegates were prepared to water down their resolution slightly, by deleting demands for £85 and £89 weekly rates for other underground men and surface miners currently on £47 and £41 respectively, and to drop their insistence on a November as opposed to March pay date.

They were also prepared to soften the wording on the use of industrial action in the event of an unsatisfactory response from

the NCB, but they were not prepared to move away from the £100 demand for face workers, whose present rate is £61.

After his delegating meeting yesterday, Mr. Scargill "regretted" that the North West and Nottinghamshire miners' leaders had been "unable or unwilling" to accept these "major" concessions made by Yorkshire.

Even if the two moderate resolutions are composed, it is by no means certain to gain the necessary majority among the delegates.

Continued on Back Page

Cabinet picks weapons to fight inflation

BY JOHN BOURNE, LOBBY EDITOR

THIS WEEK, probably on Thursday morning, Mr. Harold Wilson's Government will face its most crucial economic decision since 1966. It is committed to drawing up its anti-inflation proposals in a White Paper—possibly to be published the same day, but more likely on Friday.

The Cabinet's first decision on Thursday will be whether the TUC-General Council's statement on Wednesday on wage restraint will be firm and effective enough—many Ministers doubt it if it will. The second is what legislative powers in that case should the Government choose—immediate statutory measures to regulate the size of wage increases employers may pay, or only reserve powers which could be triggered at a later date by an Order if necessary.

Treasury Ministers are thinking more in terms of a Bill, which would be passed by Parliament before it rose in the first week of August, to make it illegal for employers in both the

public and private sectors to exceed the Chancellor's proposed 10 per cent. norm for wage increases, and to give the Government the right to set cash limits for wage increases by local authorities.

The Government can already, without legislation, tighten the Price Code so that either the whole or part of any excessive wage settlement should not be passed on to the customer in higher prices.

It can also apply limits to the total cash nationalised industries can disburse in wages without resort to subsidies, borrowing or increased prices. Conceivably it might also use adjustments to the rate support grant system as a weapon against local authorities who exceeded the wage norm.

The battlelines at last Tuesday's Cabinet were a little blurred, although there was an overwhelming majority in favour of some legal powers against employers, but not against workers or trade unions.

Mr. Wilson's speech at Brecon on Saturday reflected this feeling: "We reject, as we always have, the idea of statutory policies based on criminal sanctions against workers who, misguidedly, perhaps, short-sightedly, perhaps acting out of fear, went on strike for higher wages than the nation could afford."

Some right-wing Ministers regard this as illiberal, but there is no doubt that they would support the Chancellor and the Prime Minister on what Mr. Wilson calls "a reserve power against a recalcitrant employer, a rogue elephant, who sought to wreck the policy of the whole community."

On the Left, Mrs. Barbara Castle is regarded by her colleagues as being definitely not in a resolute mood. Mr. Michael Foot, the Employment Secretary, is felt likely to accept anything agreeable to Mr. Jack Jones, leader of the Transport Workers, who has been working

Continued on Back Page

Whitlam calls back Parliament over loan raising row

BY KENNETH RANDALL

MR. GOUGH WHITLAM, the Australian Prime Minister, has called Parliament back from its winter recess for a special sitting on Wednesday in an attempt to dispose once and for all of the damaging controversy over the Government efforts to raise up to \$44bn. in petrodollar loan funds.

Mr. Whitlam's decision to take the offensive is a recognition of the seriousness of the political damage already done by recent disclosures and allegations over semi-landslide loan-raising activities culminating last week in the sacking from the Cabinet of Dr. Jim Cairns, deputy Prime Minister.

According to the Labour Party, it also reflects the Prime Minister's confidence that the Opposition, when put to the test, will have no evidence or substantive charges to present.

Mr. Whitlam announced during the week-end that he would table in Parliament all documents relevant to the loan-raising issue including those involving Mr. Rex Connor, the Minister of Mineral and Energy, and his dealings with London businessman Mr. Tirban Khemlani. He has offered advance access to a papers to Mr. Malcolm Fraser, the Leader of the Opposition, on condition that the Opposition reciprocate with any documents which it intends to use.

Mr. Whitlam said the Opposition was being given the chance "to put up or shut up." Mr. Fraser to-day was non-committal about such a deal and about likely Opposition tactics at the special sitting.

After Mr. Whitlam announced yesterday morning that he was

enough Labour Party dissidents over the sacking of Dr. Cairns, the Deputy Leader, to defeat the Government.

If the Opposition could muster its full strength, which would be difficult, it would need only two Labour Party absentees to deprive the Government of its majority in the House.

Mr. Whitlam is concerned about Labour reaction as much as about any threat from the Opposition. Senior party officials and state leaders have been publicly urging him to establish a judicial inquiry into the loan-raising affair as proposed by Mr. Fraser.

He has become increasingly angry at the criticism of his own role, particularly in sacking Dr. Cairns and showed it clearly yesterday at a Press conference where he said publicly for the first time that Dr. Cairns would never serve again as one of his ministers.

Building society receipts fall

BY SANDY McLACHLAN

THERE ARE signs that the net inflow of funds to the building society movement is running below the very high levels of the last two months. Last month's figures to be published this week are not only expected to show net receipts considerably lower than the £406m. in April—regarded as a freak month—but also the £317m. in May, which was still the second best month in the history of the movement.

Recent developments which would have affected receipts by the societies included a reduction in the investment rate at the beginning of the month by 1 per cent, to 7 per cent. tax paid.

The introduction by the Government of index-linked bonds for pensioners was also expected to have a marginal effect on the societies' net inflow.

Even a marked fall in the inflow of funds last month would be unlikely to produce any noticeable change in the immediate availability of mortgage funds.

Much of the very big net inflow in the first five months of this year still has not filtered through to the mortgage market in terms of higher branch quotas for managers to lend.

Uncertainty

Instead, through a mixture of prudence and some indecision, most societies have built up their level of liquidity to what would be regarded historically as extremely high levels.

It is probable that liquidity ratios of 25 per cent. or more are the rule rather than the exception at present. In steadier times, societies have been happy to operate with liquidity ratios of 12 to 14 per cent., so that there is a comfortable cushion now which can be used to keep an even flow of funds into mortgage advances, even if the net inflow does dip a bit, and also to meet any increase in withdrawals over the next few months.

In the present climate of economic uncertainty, the building societies want to be seen as capable of coping with any possible increase in withdrawals.

A degree of uncertainty stems from a desire on the part of the movement to escape any blame for fuelling a new spiral in the price of owner-occupied property. This is what would happen if they released all of this year's considerable net inflow into the mortgage market over a short period.

In spite of the high level of liquidity, the commitment during May to lend £458m. to house purchasers was near the record level.

Continued on Back Page

Israel should 'take chance'—Kissinger

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, July 6

DR. HENRY KISSINGER, U.S. Secretary of State, today called on Israel to "take a chance" for the sake of peace in the Middle East by making further territorial concessions to Egypt in Sinai.

His remarks, made in a television interview, offer fresh evidence of the pressure the U.S. Administration is putting on the Israelis in its efforts to promote another Sinai disengagement pact.

The Secretary of State's statement came as the Israeli Cabinet was meeting in Jerusalem to consider withdrawal from the strategic Mitla and Gidi passes in Sinai, in spite of its earlier dissatisfaction with the limited political concessions Egypt was prepared to offer in return.



Dr. Kissinger . . . a difficult choice.

Military aid

The interview also coincided with Dr. Kissinger's departure to Europe for another meeting with the Soviet Foreign Minister, Mr. Andrei Gromyko, at which the Middle East and nuclear arms limitation are expected to be the principal subjects for discussion.

Dr. Kissinger said that the choice before the Israeli Government was difficult and would present problems whatever the decision. The U.S. sympathised with the Israeli dilemma and understood the Government's fears about giving up further territory in Sinai.

"But we feel that they must take a chance on making progress towards peace, because any other approach is going to lead to war, sooner or later, which is going to have serious consequences above all for the people of Israel."

If the Israelis took this chance, the Ford Administration would look more favourably on the requests for further military aid and general diplomatic support in any reconvening of the Geneva Peace Conference this year. "The U.S. will stand behind them in conditions in which we can reasonably say to our people that progress is being made," he said.

Continued on Back Page

Alternating

The Israelis have asked the U.S. for a total of \$2.5bn. worth of military and financial aid during the fiscal year that began this month and, although Congress has made little trouble about such requests in the past, the Administration has for some time been hinting that its own attitude would depend on Israel's co-operation with its peace initiatives.

Since Mr. Yitzhak Rabin, the Israeli Prime Minister, came here a month ago, the U.S. view of the Middle East seems to have been alternating rather wildly between optimism and gloom.

Mr. Rabin's talks with President Ford ended amid hints of further progress and a possible resumption of Dr. Kissinger's "shuttle diplomacy" this summer.

More recently, however, the mood in Washington has become more pessimistic and there have been signs of rising irritation with the Israelis in the last two weeks.

The Americans were annoyed by an alleged "leak" of detailed withdrawal proposals by the Israelis and although the White House denies that President Ford recently handed the Israeli Ambassador an ultimatum, their very brief meeting last week seems to have been the occasion for an important communication of some kind.

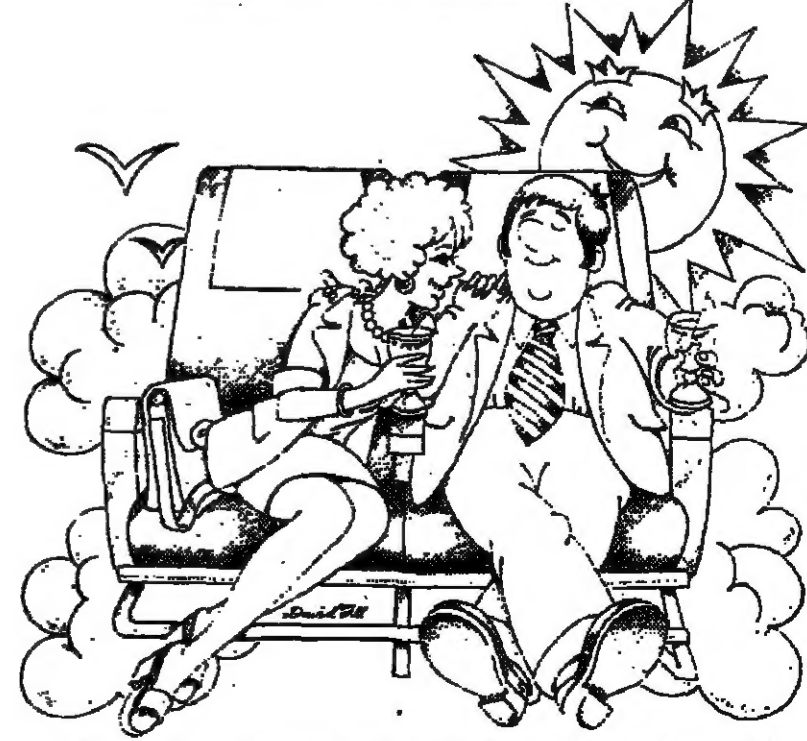
Editorial Comment, Page 12

Other Middle East News, Page 3

FT SURVEY OF BUSINESS OPINION

Industry's reactions to the Government's proposals for a 10 per cent. limit on pay increases are being incorporated in the latest Financial Times monthly Survey of Business Opinion. The results will be published next Monday, July 14.

Trust the French to offer a lovers' discount



Who else but the French would offer a lovers' discount? We call it the Spouse Fare, and it's a full 50% reduction on the applicable yearly return fare.

The Spouse Fare discount is available on any return trip (except London-Strasbourg) lasting up to five days. It applies to any wife flying to France with her husband; to any husband flying to France with his wife.

Contact Air France or your Travel Agent and take your lover for a ride.

AIR FRANCE
Use your French connections

OVERSEAS NEWS

Jerusalem blast intended to prevent Sinai accord

BY ISHAN HIJAZI

AN EXPLOSION in Jerusalem March had as its objective the scuttling of the shuttle diplomacy then by U.S. Secretary of State Kissinger. A week ago, and when the U.S. began to intensify its activity for a Sinai agreement, Mr. Farouk Kaddoumi of El Fatah and one of the leaders of the P.L.O. said that the guerrillas were capable of mounting an operation of the size of the East. A major guerrilla operation in Tel Aviv early in American initiative.

Israel delays decision

JERUSALEM, July 6.

THE ISRAELI Cabinet at its 100th meeting on July 6, decided to postpone any decision on a further interim agreement with Egypt, pending additional clarification of a number of points. But the very fact that Egyptian proposals were not even discussed, that the Government is seriously considering into all possibilities of reaching another agreement with Egypt.

It is understood that the Israelis did not submit any final maps to Washington, but turned the Americans simply their insistence on the withdrawal of all Israeli forces from Abu Rudeis oilfields and the leading to it from the south and east, as well as from strategic Mitla and Gidi roads, through her ambassador in Washington, who participated in today's Cabinet meeting and

A state of maximum alert has been proclaimed among commando forces and in Palestinian refugee camps in Lebanon. Palestinian sources said, and explained that they were expecting a big Israeli retaliation to the Jerusalem explosion which killed 13 Israelis and wounded about 60.

Reports in the Press said that the Lebanese authorities have also been taking precautionary measures after allegedly receiving information through diplomatic channels of a possible Israeli reprisal attack.

Meanwhile, informal Palestinian-Jordanian talks have opened in Syria to pave the way for a formal meeting later on to ensure future co-operation between the two sides, according to reliable diplomatic sources.

Two of King Hussein's top advisers, Mr. Bahjat Talhouq and Mr. Abdel Monem Rifai, both former premiers, arrived at the Syrian summer resort of Bloudan outside Damascus on Saturday and held talks with Syrian leaders. The contacts were to be followed by talks by the two Jordanian emissaries with Palestinian leaders since his visit to Amman late last month, Syrian President Hafez Assad has been working on arranging a Palestinian-Jordanian reconciliation.

Mr. Zuhair Mohsin, head of the pro-Syrian commando group Al Saba, expressed confidence yesterday that Palestinian-Jordanian relations will improve.

Karami reassures businessmen as calm returns to Beirut

BY ISHAN HIJAZI

BEIRUT, July 6.

NEW Lebanese Prime Minister Mr. Rashid Karami, has assured businessmen and foreign investors that the Lebanese economy was not affected by the recent violence. He said that the country's financial situation remained unchanged, while the Lebanese pound has maintained a strong rate in relation to other foreign currencies on the Beirut exchange market.

Mr. Karami is also Minister of Finance. He said that the country's Central Bank remained unchanged, while the Lebanese pound has maintained a strong rate in relation to other foreign currencies on the Beirut exchange market.

Mr. Karami said that the country's Central Bank remained unchanged, while the Lebanese pound has maintained a strong rate in relation to other foreign currencies on the Beirut exchange market.

Besides the dead, about 40 were injured in the early evening explosion, many seriously, police sources said. The violence was from the Shia Muslim militia—the Moujahideen—which owes its allegiance to Imam Moussa Sadr, one of the rising stars in the Lebanese political firmament.

UPI adds: A U.S. embassy spokesman said today that the embassy has indirectly received a ransom ultimatum from a Lebanese guerrilla group allegedly claiming responsibility for the abduction of American Colonel Ernest Morgan.

The statement was delivered to the Beirut offices of a European news agency which turned it over to the embassy. The message was signed by the Organisation of Socialist Revolutionary Action and gave the embassy three days to meet three demands, the spokesman said. He would not disclose the demands.

Greek junta trial date set

BY OUR OWN CORRESPONDENT

ATHENS, July 6.

TRIAL of 24 leading members of the military junta, charged with high treason and subversion, will begin on July 14. The defendants include President George Papadopoulos, who as an artillery officer masterminded the April 1967 coup, which resulted in the overthrow of the monarchy. They also include retired army General Demetrios Ioannides, who as chief of the military police overthrew Papadopoulos in November 1973 and blished his own military rule. The trial, which will be held in the face of the Cyprus crisis eight months after the coup, carry a possible 10-year penalty. The trial, which will be held in the face of the Cyprus crisis eight months after the coup, carry a possible 10-year penalty.

in the centre of Athens where the court of appeals is situated, the Government has decided to convert a large hall in the women's wing of Korydallos prison into a courtroom. The prisoners will thus only have to cross a courtyard from their cells to the tribunal.

Under a law passed last week, the three who have escaped arrest will be tried in absentia. About 100 personalities are expected to give evidence for the prosecution during the trial.

They include Mr. Panayotis Kanellopoulos, who was prime minister when the army seized power in 1967, Mr. George Marinos, the leader of the Union-New Forces main opposition party, who was exiled to the barren Aegean island of Yaros by the military regime, and Mr. Andreas Papandreu, the leader of the Panhellenic Socialist Movement.

Europe security summit may yet be this month

GENEVA, July 6.

ENSIVE negotiations on unresolved issues resume here today at the conference of the 35-nation Euro-Atlantic Security Conference, which is expected to reach a final session in Helsinki at the end of this month. The summit has been reached after the free flow of information, people and ideas between East and West, and the Second World War powers and how to follow influence decisions. As a result, delegates to-day were able to meet the July 10 deadline.

Several delegates said they believed there were prospects for making sufficient progress this week to enable the West to express and that the Finns have already started preliminary preparations.

Cape Verde link with Guinea Bissau

By Jane Bergeron

PRALIA, July 6.

CAPE VERDE is to be closely linked with the republic of Guinea Bissau under the leadership of the African Party for the Independence of Guinea and Cape Verde. Independence on Saturday, celebrated principally in the capital city of Praia, in the Leeward Islands ended five centuries of Portuguese rule and brought hope to 300,000 Cape Verdeans that under a new independent government the islands could become not merely free but habitable, with the FAIGC's policy for agricultural development of the drought-stricken lands relying on effective irrigation—something Portugal never achieved.

The president of the new republic—the Organisation of African Unity's 42nd member state—is Aristides Pereira, the Cape Verdean secretary general of the FAIGC. Prime Minister Major Pedro Pires, also a Cape Verdean and the man who led victory with Portugal, said the new government would be announced on Monday in the neighbouring island of Sao Vicente.

The form unity with the mainland republic of Guinea Bissau will take is to be decided in a meeting of the newly elected Cape Verde people's national assembly later this month. However, with a single party in both the islands and the mainland republic, and its secretary general now first president of Cape Verde, the union is likely to take some confederative form.

Rhodesian Africans patch up differences

By Della Denman

DAR ES SALAAM, July 6.

UNDER the careful guidance of their patrons, Rhodesian African Nationalist leaders spent the week-end here trying to patch up their differences and arrive at a common negotiating position to avert what earlier seemed like the imminent collapse of President Kenneth Kaunda's efforts to organise a settlement with Ian Smith.

The Zambian leader and the two other African heads of state linked with his peace initiative last December, President Julius Nyerere of Tanzania and the Fretilmo leader, Samora Machel, met with the executive of Rhodesia's African National Council (ANC) to try to get negotiations with the Rhodesian Government started as soon as possible.

Not only were they faced with a clash over tactics but personal rivalries and mutual suspicion within the uneasy alliance of the former nationalist movements, Zanu, Zapu and Frofidi, threatened to stall progress.

With nearly eight months passed since Ian Smith's white-minority Government, under pressure from South Africa, and the Black nationalists agreed to open negotiations which would lead to a constitutional conference, the two sides remain apart.

While keen for a peaceful settlement the three presidents were prepared to sanction a resumption of the armed struggle but apparently did not wish to until the negotiations were convinced that peaceful efforts had failed. They remained suspicious of Mr. Smith but needed to know his intentions, an official close to one president said.

The purpose of the Dar Es Salaam meeting which looked as if it would drag on beyond the weekend was to draw up negotiating proposals, reaffirm the leadership of ANC chairman Bishop Abel Muzorewa and stop the factionalising and tribalising of the nationalist movements, as well as ideological ones, and to get some form of agreement on a date and venue for the conference.

A Nationalist source reported tonight that the ANC had agreed to continue under its present leadership and the unity problem was apparently resolved.

French face UDI in the Comoro islands

MORONI, July 6.

THE COMORO ISLANDS today declared unilateral independence from France, whose top representative responded by imposing a state of emergency on the Indian Ocean archipelago.

M. Ahmed Dahhalil, president of the Chamber of Deputies, announced the independence declaration over the radio after a vote in favour of the move. The French Government's top representative in the islands, M. Henri Beaux, declared a state of emergency and French troops guarded all public buildings. The situation was reported calm.

In a referendum last December the islanders voted heavily for independence from France. On June 27 the French National Assembly ratified the Bill giving the islands independence and it was then passed to the Senate for approval. Independence would have taken effect on June 28, but was delayed by the referendum.

The little group of four perfume-exporting islands lie off Tanzania. The 300,000 Swahili-speaking population are of mixed African, Arab and Malagasy stock. In addition to perfume, the Comoro islands export vanilla—they are the world's second biggest producer after Madagascar—copra, cocoa, sisal, coffee, cloves and cinnamon. Reuters.

Nigerian move on insurance

By Our Own Correspondent

LAGOS, July 6.

THE NIGERIAN Federal Government has approved the compulsory acquisition of a minority shareholding in the equity of foreign-owned insurance companies operating in Nigeria.

According to the Federal Trade Commissioner, Mr. Gabriel Akwaese, the Government will take 40 per cent in all such companies. It has also decided to set up its own firm, reinsurance company.

The Government's action is in line with general policy to give Nigeria a larger share in key economic institutions. It already has a 49 per cent shareholding in the key foreign banks operating here. There are 15 foreign insurance companies operating in Nigeria, the majority British.

BASE 'CONFIRMED'

WASHINGTON, July 6.

SENATOR Dewey Bartlett said today that an on-site inspection "absolutely confirms" Pentagon allegations that the Soviet Union is installing a missile facility in the East African state of Somalia.

Just returned from a hurried inspection trip at the invitation of the Somali government, he said that he and his team of experts saw missile bunkers, and crates at the port city of Berbera that were clearly of Soviet origin. Both the Somali and Russian governments have denied the U.S. allegations.

Deadlock over Argentine general strike

BY ROBERT LINDLEY

BUENOS AIRES, July 6.

THE GOVERNMENT and the Lastiri and at which the possibility, reportedly put forward by Sr. Lopez Rega, of deposing the CGT leaders and naming a new Senate President who, as matters stand at the moment, would be the first in line to succeed the President should she step down. But last night the Senate tabled a draft law in Congress which would change the law of succession so that the Senate and the Chamber of Deputies meeting in joint session would elect a new President from among their own ranks, the Chamber of Deputies President Raul Supreme Court judges or the

President's private secretary and closest confidant, culminated last night in a dual to the death challenge from a Peronist Senator. Senator Santiago Raico Altamirano, a member of the Buenos Aires provincial legislature, told a press conference he was prepared to meet the Welfare Minister with pistols at midnight tonight in Buenos Aires' Central Plaza de Mayo, even though duels are outlawed. The Senator told reporters Sr. Lopez Rega "is one of those responsible for the current situation which could lead to a bloodbath."

Many workers and members of the ruling Peronist movement blame the Rightist Welfare Minister for the crisis, pointing out that he was behind the appointment of Sr. Rodrigo.

Cabinet Ministers. The Senate will begin considering the draft law on Tuesday, and both houses are expected to approve it.

At 1.30 a.m. yesterday, a marathon 20-hour Chamber of Deputies session, during which Economy Minister Celestino Rodrigo and his team were questioned, ended stormily when the Minister announced that he and his collaborators were leaving because "We have urgent business to attend to."

There were urgent business to attend to, as Sr. Rodrigo retired with bowed head. Social Congress which would change the law of succession so that the Senate and the Chamber of Deputies meeting in joint session would elect a new President from among their own ranks, the Chamber of Deputies President Raul Supreme Court judges or the

President's private secretary and closest confidant, culminated last night in a dual to the death challenge from a Peronist Senator.

Rand Selection Corporation Limited

(Incorporated in the Republic of South Africa)

CIRCULAR TO MEMBERS AND NOTICE OF GENERAL MEETING

Finance
Rand Selection has enjoyed a very long and close relationship with Anglo American Corporation of South Africa Limited which is strengthened by an agreement with Anglo American Corporation whereby Rand Selection has the right to participate in new business undertaken by Anglo American Corporation (excluding diamond business). The effect of this agreement is that the balance of new business, after laying off all other participations, is shared as to two-thirds by Anglo American Corporation and one-third by Rand Selection. Through the exercise of this right Rand Selection has not only extended its mining and industrial interests in Southern Africa but has participated in the international development of the Anglo American Corporation Group.

Companies in the Anglo American Group are now clearly moving into a phase of substantial expansion and Rand Selection requires, and will require considerable further finance to fund its participation in the wide range of investments that this programme will cover.

The company will continue to retain funds to finance a major part of these requirements and has available considerable loan facilities from Anglo American Corporation. However, as some of the investments will be in the equity of companies, the board considers it appropriate to meet a portion of the company's requirements by way of preference capital rather than loan capital and therefore proposes the issue at par of R30 million five year cumulative redeemable preference shares. These preference shares will be redeemable in whole or in part at the option of the company or at the option of a 75 per cent majority of the preference shareholders at three months' notice and those not redeemed will be redeemed in full on the 30th September 1980. The dividend rate will be 7½ per cent per annum, but this can be varied at the instance of either the directors of the company or the preference shareholders, depending on market rates ruling from time to time, provided however that any variation in the rate shall be subject to the passing of a resolution by the board of directors and the written consent of three-fourths of the preference shareholders.

Anglo American Corporation and associates have agreed to subscribe at par for the redeemable preference shares and accordingly it is not proposed to obtain a Stock Exchange listing for the preference shares. Copies of this agreement will be available for inspection by shareholders at 44 Main Street, Johannesburg, and at 40 Holborn Viaduct, London EC1P 1AJ during normal business hours from 7th July 1975 to 29th July 1975.

In order to give effect to these proposals it is necessary to convene a general meeting of members to increase the authorised capital of the company from R24,000,000 to R54,000,000 by the creation of 30,000,000 cumulative redeemable preference shares of R1 each and to insert a further clause into the company's articles of association specifying the rights attaching to the preference shares. It will also be necessary to pass an ordinary resolution empowering the directors to issue the new preference shares. The rights attaching to the proposed new shares are fully set out in the attached notice of meeting. Since 30th September 1974, the date of the latest financial year end, no capital of the company other than shares issued on conversion of the company's 64 per cent convertible bearer bonds has been issued for cash or otherwise, nor have any commissions, discounts, brokerages or other special terms in connection with the issue or sale of any capital of the company been granted. No capital of the company is proposed to be issued or is under option, or agreed conditionally or unconditionally to be put under option otherwise than as outlined in this circular.

NOTICE IS ACCORDINGLY HEREBY GIVEN that a general meeting of members of Rand Selection Corporation Limited will be held at 44 Main Street, Johannesburg on Tuesday 29th July 1975, at 14h00 for the purpose of considering and, if deemed fit, of passing, with or without modification, the following special and ordinary resolutions in terms of the Companies Act, 1973, as amended:

Special Resolution No. 1
That the authorised share capital of the company is hereby increased from R24,000,000 divided into 48,000,000 shares of 50 cents each to R54,000,000 divided into:

- 48,000,000 shares of 50 cents each which shares shall be designated ordinary shares, and
- 30,000,000 cumulative redeemable preference shares of R1 each, by the creation of 30,000,000 cumulative redeemable preference shares of R1 each, which shall be subject to the terms and conditions contained in the Articles of Association of the company.

Special Resolution No. 2
That subject to the passing and registration of special resolution No. 1 above, the company's Articles of Association are hereby amended by the incorporation of the following additional article numbered 163:

- The following conditions shall apply to the cumulative redeemable preference shares of the company (hereinafter referred to as "the said preference shares"):
- The right to receive out of the profits available for distribution a cumulative preferential dividend at the rate of 7½ per cent per annum which shall be calculated quarterly up to the end of December, March, June and September in each year and which will be payable in January, April, July and October in each year. However, should market conditions change, the said rate shall be subject to negotiations between the directors and the preference shareholders to reflect market rates ruling from time to time. Any variation in the rate which shall only take effect from the commencement of any such quarter, shall be subject to the passing of a resolution by the board of directors and the written consent of three-fourths of the preference shareholders. From the date of allotment to 30th September 1975, the dividend shall be at the said rate of 7½ per cent per annum, payable in October 1975. Dividends on the said preference shares shall be calculated and paid on the nominal value of the shares and in priority to any dividends on any shares not ranking in priority to or pari passu with the said preference shares.

(b) The said preference shares shall be redeemed at par either out of the distributable reserves of the company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of redemption as follows:

- By not later than 30th September 1980 or at the option of the company at any time or times before that date upon the company giving three months' written notice to redeem all or any of the said preference shares.
- Provided the company's distributable reserves are not less than an amount equal to the nominal value of the unredeemed preference shares then outstanding the company shall be obliged to redeem all or any of the said preference shares then in issue if at least 3 months prior thereto:
 - the company has received a written request for redemption in whole or in part from the holders of not less than 75 per cent of such preference shares then outstanding; or
 - there has been conveyed to the company a decision in favour of redemption either in whole or in part, taken by means of a resolution passed by the holders of not less than three-fourths of the preference shares present and voting either in person or by proxy at a separate general meeting of the holders of preference shares. To every such general meeting all the provisions of these presents relating to general meetings shall mutatis mutandis apply except that the quorum thereof shall consist of not less than two persons holding or representing by proxy not less than one-half of the nominal amount of the said preference shares then in issue, except that if at any adjourned meeting such quorum is not present the members then present shall form a quorum.

The redemption of any of the said preference shares pursuant to (1) or (2) above shall be subject to payment simultaneously therewith of a sum equal to the amount of all arrears of the cumulative dividend (whether declared or undistributed) on the said preference shares then outstanding calculated to the date of redemption. Any redemption monies payable in respect of the said preference shares shall be payable on the due date at a place specified by the company in Johannesburg against delivery to the company of the relative certificates for cancellation and as from that date such shares shall cease to rank for dividend unless on presentation of the certificates default is made in paying the redemption monies. In any case in which only some of the shares comprised in a certificate are redeemed a fresh certificate shall be issued for the balance. Unclaimed redemption monies shall bear interest against the company. Any partial redemption made pursuant to (1) or (2) above shall be made in proportion to the number of preference shares held by each shareholder.

(c) In the event of a winding up of the company, the holders of the said preference shares shall be entitled in priority to any payment to the holders of any shares not ranking in priority to or pari passu with the said preference shares, to receive in full out of the assets of the company, a return of the capital paid up on such shares together with a sum equivalent to any arrears of dividend calculated to the date of redemption (whether declared or undistributed) but the said preference shares shall not confer any further right to participate in profits or assets.

(d) The right to the holders of the said preference shares to receive notice of and to be present at any general meeting of the company, but not to vote thereat unless:

- the dividend on the said preference shares is three months in arrears, and for this purpose the dividend shall be deemed to be payable quarterly on 1st January, 1st April, 1st July and 1st October in each year in respect of the previous three months ending on the 31st December, 31st March, 30th June and 30th September respectively; or
- any resolution is being proposed as such meeting directly affecting any of the rights attached to the said preference shares of the interests of the holders thereof including any resolution for the winding up of the company, or for the reduction of its capital.

(e) No further capital ranking in priority to or pari passu with the said preference shares shall be created without the consent in writing of the holders of 75 per cent of the said preference shares or the sanction of a resolution passed by the holders of not less than three-fourths of the preference shares present and voting either in person or by proxy at a separate general meeting of such holders.

To every such general meeting all the provisions of these presents relating to general meetings shall mutatis mutandis apply except that the quorum thereof shall be members holding or representing by proxy one-half of the nominal amount of the issued preference shares, but if at any adjourned meeting such quorum is not present the members present shall form a quorum.

(f) That subject to the provisions of Section 221 of the Statutes, the Directors shall have the power to re-issue all or any of the said preference shares which may be redeemed prior to 30th September 1980.

Ordinary Resolution
That subject to the passing and registration of special resolutions Nos. 1 and 2 above, the directors are hereby authorised to allot and issue at par all or any portion of the 30,000,000 cumulative redeemable preference shares of R1 each at such time or times, upon such terms and conditions and to such person or persons, company or companies as they may determine.

The reasons for proposing the special resolutions are contained in the circular to members which accompanies this notice of general meeting and the effects thereof are apparent from the texts of the resolutions.

The transfer register and register of members of the company will be closed from 21st July to 29th July 1975 both days inclusive.

Holders of share warrants to bearer who wish to vote or attend the meeting in person or by proxy must comply with the regulations of the company under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and speak and, on a poll, to vote thereat in his stead. A proxy need not be a member of the company.

By order of the board,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
per B. P. Saunders, Divisional Secretary

Registered Office:
44 Main Street
JOHANNESBURG
2001
Postal Address:
P.O. Box 61587
MARSHALLTOWN
2107
7th July 1975.

London Office:
40 Holborn Viaduct
EC1P 1AJ

What about exporting facilities at Peterlee?

Call Peter Watt

Principal Industrial

Jackson Officer

4107-3335688

Peterlee is the place to be

Development Corporation, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722

The Executive's World: The Office

EDITED BY JAMES ENSOR

Scientists at the Stanford Research Institute believe that innovation is a process which can be learned through meticulously-prepared thinking workshops. Art Garcia reports from Menlo Park

Teaching people to think creatively

A FASHIONABLE way to come up with new ideas in the 1950s was to gather the best and brightest from among management ranks for extemporaneous brainstorming sessions. This free-flow form of community creativity was thought to provide the proper forum and mood for generating new ideas, one on top of the other, as the improvised innovations were either expanded upon or eliminated. Organisations, to be sure, still are constantly on the lookout for significant new ideas, but they needn't rely only on such stream-of-consciousness thinking or highly structured motivational laboratories.

Calibre

Because the problem to be considered should be well defined, participants are given the opportunity to brief themselves ahead of time. SRI has come up with a number of techniques at the sessions to help channel creativity towards solving the problem, but more important than techniques, Dr. McPherson emphasises, is the calibre of the participants. Attitudes, willingness to experiment, educational and work backgrounds—even willingness to play potentially productive games—are more relevant to success than are techniques, he says.

The creativity workshops should include persons from all levels of management, from several different departments and with broad backgrounds in more than one area, rather than just specialists. The question frequently arises from technically oriented participants regarding the presence of those with non-technical backgrounds, says Mr. Guidici, "but it's been discovered in the workshops that not all good ideas come only from technical specialists." The so-called "soft science" areas of finance and marketing, for example, also contribute to company profits and can produce innovative ideas.

"Limiting involvement solely to specialists in the field, without including those who are in a position of authority in the company, often results in ideas that are not implemented in that organisation," says Dr. McPherson. "Besides," he continues, "specialists in the problem area are likely to know all about what you can't do, whereas



Brazilians sparking ideas to produce more and better beef in Sao Paulo

people with backgrounds far removed from the problem are often good idea stimulators." That's why the creativity workshops usually include various SRI specialists who often bring up "brilliant ideas" for using the company's product in their own fields.

The theme of the SRI meetings is that one significant discovery or invention can change the direction of a division, subsidiary or an entire corporation. To help organisations in uncovering these kinds of ideas, the innovation searches are held not only to find new products or services but new uses or modifications for existing ones, as well as outlets for patents and technological processes that aren't being utilised and outlets for special capabilities the company may have.

SRI uses an assorted line-up of creative problem-solving techniques for the search that carries such fancy labels as synectics, direct associations, group by acting as lecturers, judges or even session leaders. Idea killers such as "we tried that before" or "it's against company policy" are deferred until a special session on the last day of the workshop," he adds. Then all the ideas that have been sparked are reviewed and given their first screening, a system that keeps the idea-generating sessions relatively free of negative comments.

To prevent the more verbally articulate participants from dominating the session, the workshop provides a number of ways for members to express themselves. The meeting rooms normally contain blackboards, flip charts, plenty of sketch paper on the walls and personal notebooks. Idea-generating sessions alternate between large and small groups and time is set aside for participants to think and work alone. As an idea pops up, a member of the SRI team logs it on large flip charts called "group memory" and which don't include the name of the person who thought it up so other members won't be discouraged from making additions. All ideas belong to the group as a whole, making them easier to implement because the "personality" is removed from them.

How many ideas can come out of a creativity workshop? Several hundred reportedly were generated from a project held in Germany earlier this year for SKF, the Swedish ball-bearing concern. Among the ideas for SKF were new uses for an extensive line of bearings and the skills used for making them. Crown Zellerbach, a San Francisco paper and forest products company, picked up new uses for a series of mul-layered plastic films and techniques to manufacture the film.

Mr. Guidici tells also ideas for new uses for a material for a materials engineering company; a list of about 3 ideas that was reduced to diversification directions to be considered by a large finance and insurance concern; new business opportunities for producer of waxes and polishes; new food concepts and products; ways to improve relationships between marketing and research and development functions for a major food producer; and improvements in the beef industry for the State of Sao Paulo, Brazil. An intensive search for a worldwide sporting goods manufacturer led to more than 500 ideas, its technical products division will follow up on about 100 them.

Availability

SRI has conducted its intensive search workshops for about 10 clients around the world in the two years since the program began. The fees range between \$40,000 and \$50,000 and the week-long sessions are held either at the client's location or at SRI, although it prefers to host the sessions because of the availability of nearly 2,000 SRI specialists more than 100 disciplines. Participants are encouraged to express ideas in their own language "to get the ideas out of them," says Mr. Guidici. "We'll have them translated. The main thing is not to inhibit the flow of ideas."

Can architects cope alone?

BY SYDNEY PAULDEN

EDWARD PICTON is the warehouse and distribution executive of Woolworth's, and he maintains that some people in some British companies still are inclined to say: "Oh, look, a green field. We could build a warehouse there. Let's ring up an architect."

This approach is the road to a costly ordeal, because too many industrial executives falsely regard the architect as a project manager and leave to him the responsibility for cost control of a building project. A deadly error, apparently, is to assume that the designer of a building is au fait with the process that will be housed in the building. The result is often that the process is cramped or distorted in order to accommodate the building.

There is now a move towards specialisation of services to help companies that require new buildings, so that the starting point is the function of the building and the necessary investment and the finishing point is a building that exactly fits the specifications of building time, construction, cost and operation.

One such specialist service is Planned Warehousing, of Guildford, Surrey, that has recently constructed a new warehousing project for Woolworth's in Castleton, Manchester. The PW services included consultancy on the type and scale of equipment and plant, on the style of the building, plus completely centralised control on budgets and building schedules and total implementation of the plan on a turnkey basis.

The contract was valued at £2m. overall, and the net discrepancy between the originally agreed figure and the final cost 18 months later when the premises came into operation was only £545.

Further, the new construction was on the site of an old warehouse facility that was partially burned down. During the period of rebuilding, the part still standing had to be allowed to carry on the job of distributing thousands of different product lines to serve 1,200 retail outlets. It was one of Planned Warehousing's tasks to calculate in advance how this could be achieved.

They actually met when they were both handling the two different phases of an earlier warehousing contract for Woolworth's. "We have provided complete warehouse facilities," says Mr. McKibbin, "from a client's brief written on half a sheet of paper, which gave us simply the number of items they had to stock and the number of weeks of stock to be catered for. In fact, we were both handling the two different phases of an earlier warehousing contract for Woolworth's."

PW uses architects, but as a part of an integrated team and only after the whole distribution and warehousing brief has been carefully identified. PW claims that the architects whom the company works prefer this arrangement, for then they do not have to become involved in discussions and briefing sessions that are extraneous to their own specialty—building design.

McKibbin and Willis point out that an architect's training does not qualify him for cost control or project control, yet that is the role the architect assumes if he is the first contact and the main contact. They believe that too frequently architects regard industrial buildings as monuments to architecture and quote one example where the cost of a head office for a company went 50 per cent. above original estimate because the architect insisted on incorporating a central glass escalator.

"When we get a job," says Mr. McKibbin, "the first person we go to is not the architect, the insurer. It is vital to know at the earliest stage what size space and what type of factoring an insurance company will be willing to cover at an acceptable price. Our brief has to take very much into account."

Overseas countries are apparently quicker to recognise the advantage of a highly specialised service than the U.K. Outside the U.K., the project manager and the number of weeks of stock to be catered for. In fact, we were both handling the two different phases of an earlier warehousing contract for Woolworth's."

Inter-related

The new Castleton warehouse has 370,000 square feet of warehouse space, compared with the 120,000 it replaced on the same site, with 30-foot instead of 12-foot eaves.

Planned Warehousing services are grouped into two distinct yet closely inter-related phases. One is the process of studying the distribution requirement and designing the most effective warehousing method to suit. The other is the design and construction of the building itself. The two directors of PW make a team that personifies the services offered. Brian McKibbin used to be distribution manager at Unilever and at Rank-Hovis-McDougall; at one time he was the director responsible for 600 staff at six warehouse centres. Mike Willis joined McKibbin from the Bovis construction group, where he had been project director of pre-cast concrete factories, and was also managing director and estimator of Professional Services Company, and was once a planning engineer and a contract manager.

Assignments

PW is currently handling £10m. development project South Africa, a country in which PW has carried out a number of big assignments for clients such as South African Breweries and OK Bazaars since a cha meeting in a bar during a holiday. McKibbin spent there 1969.

"You see," explains McKibbin, "over there and in the U.S. problems are looked at by industry in a logical manner. Over here, we are still hidebound by pure tradition." It costs so much to build a warehouse that the service sector of the economy shows annual increase in costs of between 5 per cent. and 7 per cent. while unit labour costs in the manufacturing sector are declining from a low base.

Investment in capital equipment per office worker is only about \$2,000 a year, far below the \$25,000 spent for equipment in the manufacturing sector.

However, according to a forecast, the amount spent on the office for each white collar worker could rise five fold to \$10,000 by 1985. One does not think that percentage increase will be matched in this country. For one thing, there is too much reverence given to the traditional secretarial role—a possible barrier for the industry's U.S., too.

At the root of the problem is human nature. As Jonathan Pugh III of Lexington Corporation puts it: "The biggest problem we face is the office worker's giving total loyalty to one boss, and he likes getting it."

An office without paper

BY ROY LEVINE

At last, it seems that management is bringing the technological age into the office. In the U.S. nearly half the total workforce will be in service-based industries by the end of the decade.

According to a special survey in "Business Week" the resultant productivity gains will rival those of today's factory and accounting departments.

The magazine devotes 38 pages to "The Office of the Future" and quotes numerous industry sources suggesting a paperless office by 1990.

At the centre of the automated office will be the editing typewriter surrounded by various office systems to transfer information electronically and to move it into and out of electronic files.



Different views of who will operate them are taken by the two major companies in this industry. Xerox is experimenting with a new display terminal connected to an editing typewriter. The system is completed with an electronic filing cabinet and a copier-printer-facsimile system on the basis that the professional will eventually do his own typing and filing.

Part of the Xerox view is that the culture of the future rests with facsimile transmission and it is banking on its Telecopier. "The phone is the biggest time waster I know of," is the quote from its chief scientist, Jack Goldman.

IBM seems to be taking the view that the mass of equipment will sit not on the executive's desk but on his secretary's desk.

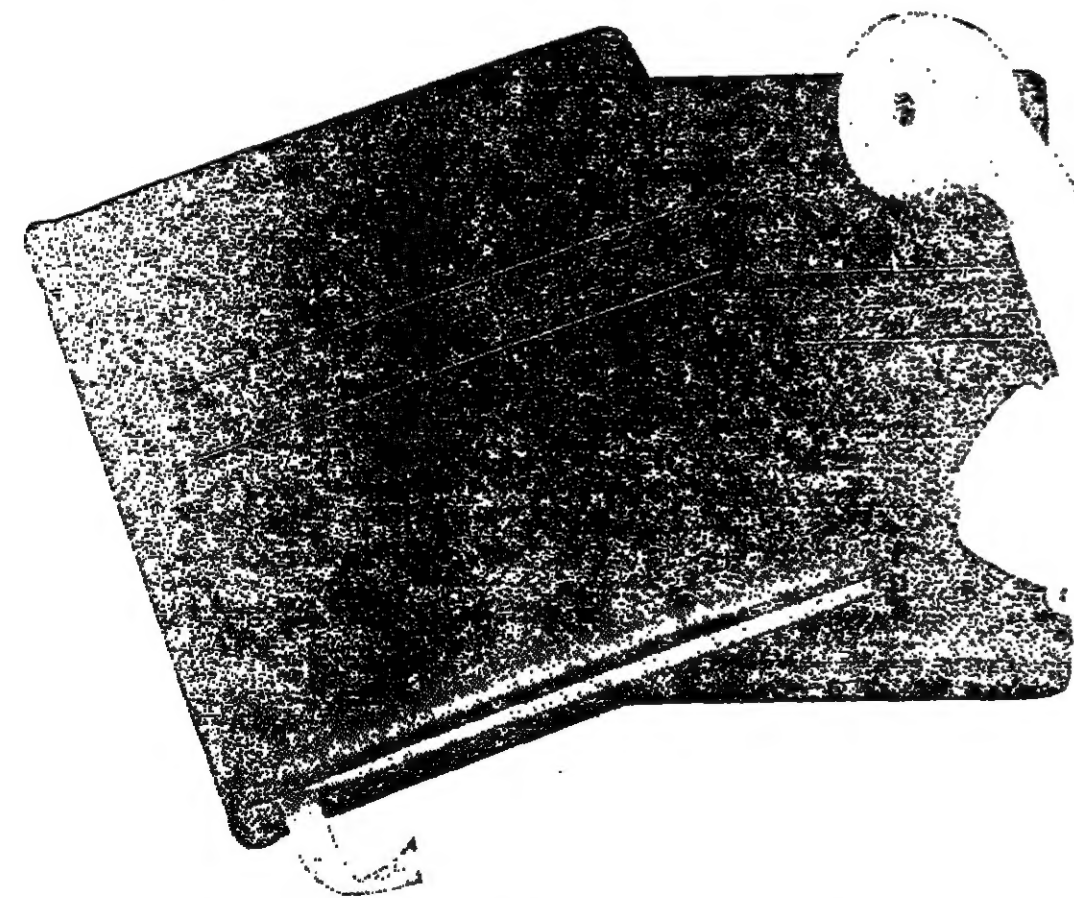
Business Week describes an IBM system which incorporates a telephone connected to a computer as well as to a secretarial work station for dictation. The phone can also be used as a calculator and it can automatically make a call for the executive at any preselected time. An eight-line display is attached to the terminal to get information from a library.

The expected boom in office products could produce a market worth some \$1.3bn. a year by 1981. And the reasons for it are not hard to find. "Where office costs used to be 20 per cent. to 30 per cent. of the total in a company, they have now grown to 40 per cent. to 50 per cent. of all costs," according to Alan Purchase, senior industrial economist at Stanford Research Institute, quoted by Business Week.

It is surprising, then, that the service sector of the economy shows annual increase in costs of between 5 per cent. and 7 per cent. while unit labour costs in the manufacturing sector are declining from a low base.

Investment in capital equipment per office worker is only about \$2,000 a year, far below the \$25,000 spent for equipment in the manufacturing sector.

Next year's FT Management Diaries could solve your year end business-gift/promotion problems. Now!



The FT Management Diaries have the presence and authority to command immediate respect. On any businessman's desk. At any level. It's the diary you most probably use yourself.

It has all the attributes of the ideal business gift, that will convey your message throughout the year. To remind your clients how highly you value their custom. Every day of the year. With quiet yet assured dignity.

Now is the time to enquire about copies of the 1976 editions designed for the exclusive use of your organisation. With your company's name, brand or insignia gold blocked on the luxurious covers.

FT MANAGEMENT DIARY - the impressive gift for businessmen

FINANCIAL TIMES DIARY DEPT., 10, BOLT COURT, FLEET STREET, LONDON EC4A 3DF.

Please contact me.

as soon as possible, about special editions of the FT Management Diary

My name is _____

Company _____

Address _____

Telephone number _____

Or specially inserted pages of text or advertising. And personal initialling for the recipient.

Telephone Carl Milburn 61-836 5444 or complete and return the form below, and we will be delighted to come and discuss a special production with you. Preferably within the next few weeks.

Ask to see samples if you are not already well acquainted with the FT Diaries. Handle them, study the layout and information pages. Then you will know why they are so right for your clients. And for you.

Handwritten signature or mark at the bottom of the page.

LABOUR NEWS

R-R revolt
brews
over pay
claim action

By Our Derby Correspondent

LITANT SHOP stewards to face a rebellion by the 900 Rolls-Royce (1971) workers on they have instructed to pose sanctions which would pose production at R-R's engine factories in Derbyshire, Nottinghamshire and Leicester.

Some groups of workers are believed to have decided already to comply with the sanctions imposed by the shop stewards on to-day.

The sanctions threat, which came after the management's rejection of a "substantial" pay rise, brought an ultimatum from R-R that the Derby engine factories would be closed Wednesday if a disruptive strike ban and other measures were not introduced.

Any of the hourly-paid workers say that they are still loyal to be in jobs after the crash four years ago, and are urging "moderation" in the shop stewards' demands.

One group of workers said: "We feel this is no time to be closing a factory closure and putting jobs at risk."

The shop stewards are due to meet on Wednesday to discuss whether to go along the head-on clash or to negotiate.

In January, the company paid Derby division "interim" of up to £25 a week—six months after the annual payment, which is due again in January. It said that "interim" would be to stand for six months.

A similar confrontation at a Scottish plant in April, when workers voted to stand for six months.

On the white-collar field, the senior staff have voted a merger with the Association of Scientific, Technical and Managerial Staffs.

Steelmen's decision due
on 14% wages offer

BY CHRISTIAN TYLER, LABOUR STAFF

BLAST-FURNACEMEN in the British Steel Corporation will decide this week whether to make a stand in the teeth of a wage limit over a 14 per cent "new money" wage offer rejected by their negotiators.

Delegates of the National Union of Blast-furnacemen will debate the offer at their annual conference in Scarborough on Wednesday—only a day or so before the Government brings out its White Paper on pay and prices.

The union's executive meets to-night to consider the negotiators' report in the light of national events, but yesterday Mr. Hector Smith, NUB general secretary, said the White Paper referred to the next pay round.

More than 4,000 manual workers at the Tyneside engineering plant of C. A. Parsons voted at the week-end to strike from to-day.

They had originally postponed their action, due to begin on Friday evening, when the company produced an improved pay offer at the last minute. But at a mass meeting in Newcastle, the members of eight unions rejected the new offer by a large majority and decided to go ahead with the strike.

The company increased its offer from £4.50 to £5.00 immediately plus another £4 in January. Mr. George Arnold, Tyneside chairman of the Confederation

of Shipbuilding and Engineering Unions, said: "The men felt it would take £10 now to bring their wages up to an acceptable standard."

The company warned last week that it was in no position to give in to "exorbitant" wage demands and would suffer badly from strike action.

Union leaders of 40,000 Merchant Navy seamen are being urged by several branches to call off a strike ballot on a rejected 37.3 per cent arbitration award because of an imminent limit on pay increases.

Seamen at Holyhead yesterday joined those who are urging the National Union of Seamen to reconvene its national executive to reconsider the award.

The defeated candidate is Mr. Les Dixon, an executive member of the AUEW, but he becomes the AUEW engineering section's NCCO spokesman on steel.

The vacancy was caused because Mr. John Boyd, leading Right-winger of the AUEW, forfeited the NCCO job—which he has held since its foundation nearly 20 years ago—when he became general secretary of the AUEW's engineering section.

Although himself a strong anti-Communist, Mr. Boyd put steel committee held by the National Craftsmen's Co-ordinating Committee.

The defeated candidate is Mr. Les Dixon, an executive member of the AUEW, but he becomes the AUEW engineering section's NCCO spokesman on steel.

The vacancy was caused because Mr. John Boyd, leading Right-winger of the AUEW, forfeited the NCCO job—which he has held since its foundation nearly 20 years ago—when he became general secretary of the AUEW's engineering section.

Although himself a strong anti-Communist, Mr. Boyd put steel committee held by the National Craftsmen's Co-ordinating Committee.

The defeated candidate is Mr. Les Dixon, an executive member of the AUEW, but he becomes the AUEW engineering section's NCCO spokesman on steel.

The vacancy was caused because Mr. John Boyd, leading Right-winger of the AUEW, forfeited the NCCO job—which he has held since its foundation nearly 20 years ago—when he became general secretary of the AUEW's engineering section.

Although himself a strong anti-Communist, Mr. Boyd put steel committee held by the National Craftsmen's Co-ordinating Committee.

The defeated candidate is Mr. Les Dixon, an executive member of the AUEW, but he becomes the AUEW engineering section's NCCO spokesman on steel.

The vacancy was caused because Mr. John Boyd, leading Right-winger of the AUEW, forfeited the NCCO job—which he has held since its foundation nearly 20 years ago—when he became general secretary of the AUEW's engineering section.

Although himself a strong anti-Communist, Mr. Boyd put steel committee held by the National Craftsmen's Co-ordinating Committee.

The defeated candidate is Mr. Les Dixon, an executive member of the AUEW, but he becomes the AUEW engineering section's NCCO spokesman on steel.

Teachers
to oppose
flat-rate
pay rises

By Our Labour Staff

THE National Association of Schoolmasters has protested to the TUC about the proposal for flat-rate pay rises.

Mr. Terry Casey, NAS general secretary, has written to Mr. Len Murray, TUC general secretary, that the proposal was "basically unfair" to people like teachers and local government staff with structure and seniority systems.

The NAS has 65,000 members. "I appeal to the people who represent the middle professional ranges in the TUC to resist against the flat-rateism of the Jack Jones proposals," Mr. Casey said.

A non-TUC body representing about 70,000 white-collar employees has also rejected the idea of flat-rate rises because of its disruption to differentials.

The Confederation of Employees' Organisations says that the TUC is considering a 58 a week—would be inflationary in the long run as differentials were re-established after pay restraint ended.

In a 10-point plan for incomes restraint, it also says that it would not comply with a TUC pay policy if CEO members did not agree, but would accept statutory control provided "everybody else does."

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Teachers
to oppose
flat-rate
pay rises

By Our Labour Staff

THE National Association of Schoolmasters has protested to the TUC about the proposal for flat-rate pay rises.

Mr. Terry Casey, NAS general secretary, has written to Mr. Len Murray, TUC general secretary, that the proposal was "basically unfair" to people like teachers and local government staff with structure and seniority systems.

The NAS has 65,000 members. "I appeal to the people who represent the middle professional ranges in the TUC to resist against the flat-rateism of the Jack Jones proposals," Mr. Casey said.

A non-TUC body representing about 70,000 white-collar employees has also rejected the idea of flat-rate rises because of its disruption to differentials.

The Confederation of Employees' Organisations says that the TUC is considering a 58 a week—would be inflationary in the long run as differentials were re-established after pay restraint ended.

In a 10-point plan for incomes restraint, it also says that it would not comply with a TUC pay policy if CEO members did not agree, but would accept statutory control provided "everybody else does."

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

Mr. Boyd recently lost his TUC general council nomination to Mr. Reg Birch, the AUEW's Maoist executive member.

LONDON TIN CORPORATION
Partnership with Malaysian
Government welcomed

Mr. D. R. Mitchell's review of operations

The 49th Annual General Meeting of London Tin Corporation Limited will be held on 30th July, at Winchester House, 100, Old Broad Street, London, E.C.2.

The following is the statement by Mr. D. R. Mitchell, the Chairman, which has been circulated to Shareholders.

ACCOUNTS

The profit before tax for the year was £3,963,000 compared with £2,871,000 for the previous year. Dividend income from the tin mining companies increased by £1,216,000, reflecting the higher average tin price during the year, although the application of dividend restraint on those companies which are resident in the United Kingdom restricted their distributions to some extent.

Profits on sales of investments amounted to £233,000 against £332,000 last year.

The charge for taxation is proportionately higher than for the previous year due partly to the non-recurrence of the transitional relief which became available to us last year with the introduction of the imputation system of taxation in April, 1973 and partly to the much higher proportion of our increased profit represented by unfranked income which bears the full rate of Corporation Tax.

Dividends totalling 7.0p per share have been paid and represent the maximum amount distributable under the dividend restraint regulations. The opportunity has been taken to set aside a further £250,000 to Exploration Reserve and accordingly there remains a sum of £412,000 to be added to the balance of unappropriated profits.

Since the end of the transitional period of the change-over to an imputation taxation system, it could be disregarded by the Corporation to pay its second interim dividend between the 1st and 5th April in any year. As two dividends had already been paid in the twelve months to 31st March, 1975, it was decided to pay the second interim dividend on 10th April, 1975. It would benefit the Corporation to delay the declaration of its second dividend each year until after the end of its financial year and it is therefore proposed that the current year's second interim dividend be declared in April 1976 for payment towards the end of May or early in June. It is also intended to adhere to this programme in future years. The payment of the first interim dividend in December will not be affected by this change.

MINING OPERATIONS

Tin export control was at no time in force during the year under review and the Group's mining operations were therefore able to continue on a full-time basis and were not affected by 8.7% of the free world's production of primary tin.

The total output of the companies operating in Malaysia and Thailand remained satisfactory, being only some 3% less than during the previous year. Work continued steadily on the construction of the large new dredge for Berjuntan and this is expected to be completed about mid-1976. It had been the intention to construct another new bucket dredge to work shallow reserves in the southern Kinta property off the west coast of Thailand but uncertainties in regard to the renewal of mining leases in Thailand have necessitated a deferment of the project.

In Nigeria production of tin concentrate was 540 tonnes lower than last year, a reduction of 19% caused mainly by the combination of a lower average grade of ground worked, labour unrest following the Udjoji report on wages and salaries, and power cuts. A new installation of mining plant comprising bucket wheel excavators and belt conveyors will be put into operation later this year to assist in mining a deep though comparatively rich deposit overlain by thick barren overburden.

Operating costs have increased very sharply in the three countries in which the Group is mining, and they continue to do so. Wages have risen substantially, energy costs have increased by a rise of 55% in the tariff for power from the National Electricity Board in Malaysia and the prices now being charged for steel castings and forgings, machinery and other items essential to our operations are mounting rapidly.

EXPLORATION IN AUSTRALIA

Our exploration activities continue on a limited scale in Australia and have been confined mainly to Western Australia and Queensland. In compliance with the policy in Australia on foreign involvement in the search for and exploitation of mineral resources joint venture arrangements have been sought with Australian partners. This enables us to spread our interests over a wider field while still working within a limited budget. Progress is understandably slow in such vast areas, and we have not yet located mineralisation meriting applications for mining titles.

THE TIN PRICE

When I addressed you last year the price of tin metal on the Penang market was M\$1,300 per picul and during our financial year it averaged M\$1,118. From 1st April, 1975 to mid-June the price has averaged M\$839 per picul.

With effect from 31st January last the International Tin Council revised the buffer stock price range. The floor price became

M\$900 instead of M\$850, the ceiling price M\$1,100 instead of M\$1,050 and the middle sector of the price range is now M\$950 to M\$1,040. These increases are smaller than those the producers felt were justified by the escalation of operating costs, but they represented the best compromise that could be reached for the time being between the interests of producer and consumer member countries.

The average grade of ground being worked by the Group's dredges in Malaysia is currently about 0.25 lb. of tin concentrate per cubic yard, over 40% lower than the average grade worked in the early 1960s. In the intervening years some of the older, smaller dredges have gone out of production and three large new dredges have been commissioned, but this diminution in average value of remaining reserves, which has occurred throughout all types of alluvial operations from which such a high proportion of Malaysia's production of tin is derived, demonstrates the need for an improvement in the relationship between tin price and operating costs if the industry is to remain a healthy one and if the greatly increased capital investment now required for the development of new mines is to be forthcoming.

THE INTERNATIONAL TIN COUNCIL

In the calendar year 1974 world smelter production of primary tin was 178,100 tonnes whilst consumption amounted to 200,200 tonnes, according to the official statistics of the International Tin Council published in May last. These figures show an apparent deficit of 22,100 tonnes, but sales from the U.S. stockpile provided 23,540 tonnes, after taking account of supplies from China and exports to U.S.S.R. there was an overall surplus of about 7,000 tonnes. Towards the end of the year it was apparent that demand was slackening and although in February 1975 the Buffer Stock Manager began to buy substantial quantities of metal surplus to market requirements, the intervention he was able to make was not sufficient to halt a rapidly falling tin price. The situation appears to have been aggravated by increased exports from China since last January.

On 15th April last the International Tin Council called up from its seven producer member nations outstanding contributions totalling £13.5m. authorised under the Fourth International Tin Agreement, to supplement the Buffer Stock Manager's available funds, and simultaneously introduced export control by imposing a cut of nearly 18% in tin exports. Unwelcome as it is, export control has been effective in the past in stabilising the tin market and it was certainly needed in the current situation to prevent a collapse of the tin price. These measures do, however, fall far short upon producers, who on this occasion have to curtail production and at the same time provide additional finance for the buffer stock.

In 1971, when the Fourth International Tin Agreement was signed, the buffer stock level was set at 20,000 tonnes which at that time required finance of £27m. At the present floor price no less than £60m. would be required for this quantity of tin metal, which is considered by many to be inadequate to defend the tin price against a further fall. Under the Fifth International Tin Agreement, due to take effect from 1st July, 1976, the producers will again be required to bear the cost of financing a buffer stock of 20,000 tonnes, but consumer countries have been asked voluntarily to match this by contributing another 20,000 tonnes in tin or cash. It is to be hoped they will do so, and that additionally support may be forthcoming from the International Monetary Fund or the World Bank.

U.S. STOCKPILE OF TIN

The original stockpile holding in 1962 was 348,616 long tons, since when 141,498 tons have been sold and a further 6,517 tons remain authorised for sale by Congress. A Bill to make available for release a further 100,000 tons from the balance of just over 200,000 tons has been shelved by Congress for the time being pending reconsideration of the whole question of stockpile policy by the appropriate authorities.

TIN RESEARCH

Once again I would like to pay tribute to the work carried out by the Tin Research Institute and on this occasion I wish to make special mention of Dr. William Hoare's recent retirement as Director of the Institute, having served in that capacity since 1969. He had been a senior member of the Institute's staff since 1935. He was intimately involved in the extensive research into new applications and improved methods for the use of tin which has earned renown for the Institute throughout the world.

Dr. Robins, formerly Deputy Director, has succeeded Dr. Hoare and his wide knowledge and experience will ensure that the Institute's activities will be maintained.

HAW PAR/PERNAS

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

Shareholders were informed by circular dated 12th June, 1975, that following the acquisition by Pernas Securities Sdn. Bhd., through its subsidiary Tradewinds (Malaysia) Sdn. Bhd., of 20.38% of the issued capital of the Corporation, it was the intention of the Board to acquire the remaining 79.62% of the shareholding, together with other assets, for new shares in Haw Par Brothers International Ltd.

As the result of this arrangement Pernas Securities would obtain some 39.7% of the share capital of Haw Par. The interests of the latter company, the capital of London Tin would thereby be increased to 10,930,285 shares, representing 50.35% of the issued capital of the Corporation.

Your Board welcomes the idea of a partnership with the Malaysian Government through Pernas, as members have already been informed. Under the proposed arrangement, however, a change in the control of your Company takes place without all shareholders being afforded equal treatment; an important principle is involved here, not just a technicality. In the circumstances your Board considers it desirable that all shareholders should be given the opportunity of deciding whether or not to retain their holdings. The Panel on Take-overs and Mergers has ruled that Pernas and Haw Par have a joint and several obligation to make or procure a bid for the other shares in London Tin not already owned by them at a price of 197.5p. Recently Haw Par have appointed two leading Merchant Banks to advise them in the situation resulting from the ruling of the City Panel and it is hoped that a solution acceptable to all parties will be reached.

Meanwhile Pernas Securities have requested representation on your Board, and the Directors are pleased to recommend the approval of shareholders at the Annual General Meeting the appointments of Enik Jus Sudin and Raja Badrol Ahmad, both of whom are Directors of Pernas Securities. It is necessary, however, for this maximum number of Directors permitted under the Articles of Association before effecting these appointments and included with the Directors' Report and Accounts is a notice of an Extraordinary General Meeting, at which the appropriate resolution to amend the Articles will be proposed.

There is a growing motivation in every country in which our Group operates towards achieving a greater measure of control over its natural resource industries. This is a very understandable desire and one which we are anxious to foster subject to fair and equal treatment for all shareholders.

FUTURE OUTLOOK

In any financial year a large part of our dividend income is derived from profits earned by the mining companies during the preceding year. For this reason the income received during the current year will only reflect to a limited extent the adverse effects of greatly increased operating costs, a lower tin price, and tin export control, and I am hopeful that our dividend distribution can be maintained.

Unless worldwide industrial activity picks up during the coming months, so as to cause the tin market to become more buoyant, our income for the year 1976-77 must inevitably decline. The statistical position of tin is such, however, that a swing of the pendulum in the right direction could well take place as soon as there are signs of a recovery from the present recession.

Although the security position in parts of Thailand and particularly in the border area between Thailand and Malaysia is a matter for concern, the Group's operations have not so far been in any way affected by the activities of communist terrorists against which the Governments of the two countries are taking firm action.

DIRECTORATE

In July of last year Mr. R. C. Farling resigned from the Board following the severance of his connection with Haw Par Brothers International Ltd., and Mr. J. N. Clarke, a Director of Haw Par, was appointed a Director of London Tin Corporation in his place. It will be seen from the Directors' Report that two additional Directors, namely, Sir Andrew Crichton and Mr. J. G. Richardson, were invited to join the Board in the latter months of 1974. Sir Andrew Crichton has long experience of South East Asia and wide business interests in this country. Mr. Richardson is Chairman of the Tronoh group of tin mining companies and reciprocal representation now exists as I joined the Board of Tronoh Mines Limited last December.

Sir Michael Young-Herricks, to whom we extend our congratulations on his recent award of a knighthood, is this year due to retire by rotation but has regretfully announced his intention not to seek re-election because of increased business commitments in Scotland. We are sorry to lose the benefit of his advice which has been most helpful to your Corporation. It is proposed to appoint Mr. Ian Tamplin, Deputy Managing Director of Haw Par, to fill the vacancy created by the retirement of Sir Michael.

I would like to express on your behalf our great appreciation of the efforts of all employees of the Group, abroad and here in this country. The problems which have to be faced nowadays in overseas mining are complex and diverse, but on visits to the mining properties under our management it is reassuring to note the high degree of co-operation that exists between different races and the continuing determination to achieve a successful operating record.

ACKNOWLEDGEMENTS

I wish to extend to my colleagues on the Board my gratitude for their invaluable support and guidance.

Printing unions merger
is backed by SOGAT

BY OUR LABOUR STAFF

MEMBERS OF the Society of Graphical and Allied Trades have voted overwhelmingly for merger with the 7,000-member British Graphical Association.

SOGAT said that the new amalgamation to be called SOGAT 1975, would be by far the largest union for workers in printing, bookbinding and paper-making, with a total membership of 202,000.

On the white-collar field, the senior staff have voted a merger with the Association of Scientific, Technical and Managerial Staffs.

Of the 2,200 in the senior staff association, 860 voted for the merger and 800 against. They follow the manual workers, whose Union of Kodak Workers merged last year with the Transport and General Workers Union.

ASTMS also has absorbed the 2,230-member Engineer Surveyors' Association, affiliated to the TUC, who voted for the merger by 1,547 to 283.

The Association represents staff who conduct engineering surveys for the insurance industry, where it is already recognised.

What's it like to live
in Peterlee?

Call John Green, 0107-323 5638

Peterlee is the place to be

Technical Development Corporation, Ridgeway House, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 20

American Express Travelers Cheques. Don't leave home without them.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHROEDERS

AUTOMATION

Robots may leave U.K. behind

GREAT CHANGES affecting the fundamental character of the world's manufacturing industries in the 1980s and 1990s, through automated manufacture, were discussed at a lecture and seminar on unmanned manufacturing held at the University of Salford last week.

Dr. M. Eugene Merchant, who is the director of research planning at Cincinnati Milacron, Ohio, and visiting professor to the University, outlined the powerful social and economic forces moving the manufacturing industries towards automation. He described the strategic national industrial policy aims of Norway, West Germany and Japan, all of which have substantial national research and development programmes aimed at major improvements in the capacity to export of their

mechanical industries. The most ambitious programme is Japan's. The Japanese programme was initiated in 1973 and is being funded by the Ministry of International Trade and Industry (MITI), the costs also being borne by participating industrial and government organisations. The plan calls for the development of a prototype, "unmanned" machine building factory by about 1980. This plant would be a 200,000 to 300,000 square foot factory staffed by a control crew of about 10 people, as compared with the normal complement of 700 to 800. It would manufacture some 2,000 different machinery parts in lot sizes of 1 to 25 pieces and would assemble these to produce, automatically, some 50 different machine components, such as gear boxes, spindle heads, tur-

ret heads, hydraulic motors, etc. Processes carried out automatically would include forging, heat treatment, welding, presswork, machining, inspection assembly and painting.

The chairman of the seminar, Professor A. W. J. Chisholm of the University of Salford, said Britain must follow suit or be left in a very weak industrial position.

The present dispersal of the interested bodies—the Science Research Council, two divisions of the Department of Industry, two research associations, at least one Government research laboratory, ten technical universities and the trade union movement—could not continue and they would have to combine in a co-ordinated national effort to solve the technical, social, educational and employment problems involved.

MACHINE TOOLS

Lubricates the smaller machines

SINGLE LINE automatic lubrication systems for use on small and medium-sized machines have been developed by Inter-lube Systems, Estover Road, Plymouth, Devon PL6 8LA (0752 778781).

Known as the SL system, it features three cyclic lubricator units, each designed for sump or reservoir mounting and with outputs of 1, 3 and 5 cc per cycle.

Each lubricator can be fitted with any one of 7 different interchangeable electric motors, giving the system a wide operating flexibility within a discharge rate of 0.2 to 40 cc/hr. and nominal discharge cycles from 3 minutes up to 6 hours.

It is claimed that each bearing receives the planned quantity of lubricant regardless of changes in temperature, viscosity, fit of bearing surfaces, level of bearing or its distance from the oil source.

The maker is a member of the Tecalemit Group.

COMPONENTS

Vent caps for tanks

FOR AUTOMATIC venting of ballast tanks, oil tanks, water tanks and similar liquid storage spaces on board ship, Megator Pumps and Compressors, 37A Newington Causeway, London SE11 6EQ (01-407 5816) has introduced a range of vent caps which has been approved by DTT and leading classification societies.

Features include a high density polythene ball float with renewable seat, housed in a ball

chamber which can be easily removed for inspection. A Monel flame-and-insect screen is standard.

Standard range includes single-ball units from 50 to 175 mm and double-ball units from 200 to 250 mm. Sizes 300 to 350 mm are available to special order and are of quadruple-ball design. The units are compact—the 100 mm model, for example, is 225 x 235 x 305 mm high and weighs about 25 kg.

Units can be supplied with butt-welding connections or with flanges drilled to BS Table D, ASA or metric NP standard (BS 4504).

INSTRUMENTS

Versatile flow meter

WIDE APPLICATION turbine flow meters made by Maurer Instruments are to be marketed by Avery-Hardell, Downley Road, Havant, Hants PO9 2NW (Havant 6422).

Revolutions of the rotor are sensed electromagnetically to give a voltage of frequency proportional to flow velocity. Various bearings have been developed for long life and for the hygienic requirements of the food industry.

For use with the meters are electronic read-out units for many different applications, including analogue displays of rate of flow and digital totalisers to show volume passed. Through these displays high and low flow alarms, batching and blending, pipe leakage detection and other requirements can be catered for.

Bore sizes range from 0.5 to 2.5 inches, for working pressures up to 4,000 lb/sq. inch. Corresponding maximum flow capacities are from three to 150 gal/min. (14 to 680 litres/min.).

Fast blind riveting machine

AN AUTOMATIC blind riveting system consisting of a riveting pistol and a motor-mounted feed and power unit is available from Gesipa Fasteners, Dalton Lane, Keighley, Yorks. (05352 7944). A subsidiary of Gesipa GmbH, West Germany.

Electrically powered, the pistol unit feeds rivets via a vibrator and pneumatic tube to the pistol, which is hydraulically operated. The cable to the pistol is 3 metres long, and operating speed is said to be 30 to 40 rivets/minute. The riveting cycle is automatic from feeding to final setting of the rivet, in a single operation.

The diameter of the pistol head is 300 mm, and of the expanding nose piece 22 mm, enabling rivets to be set in areas with restricted access. Rivets of different lengths and diameters can be set without re-tooling.

RESEARCH

Design aid role will grow fast

WORLD-WIDE studies of computer-aided design systems have been made by an international team of researchers from the International Institute of Applied Systems Analysis; their report is shortly to be published.

The researchers between them visited 85 organisations in 15 countries, and interviewed around 250 people. And among the countries and organisations visited were nearly all those with a leading role in the use of CAD systems and techniques: the U.K., Japan, the U.S. and most of the countries of Eastern and Western Europe.

The report tends to indicate that in many ways the use of CAD is still much like the use of computers in organisational functions during the 1950s. Much of CAD activity is initiated by industrial enterprises who tend to regard the resulting programs as proprietary; little or no effort is made to pool programs or information.

In this connection, the report concludes that though some problem-oriented analysis or processing programs (ECAP, APT, ICES among them) have achieved widespread usage in

many countries and could probably serve as bases for international interchange in design systems, no accepted international standards have as yet evolved for the efficient interchange of data between CAD programs and facilities, and no candidate systems for such standards have yet emerged.

Though the report seeks to discuss CAD as a methodological discipline, the authors indicate that much of the work they have been investigating has not been of that order at all. It has instead been the ad hoc use of computers in the design process—disorderly collections of programs rather than carefully conceived and specified CAD systems.

The report points out that CAD is more than the generation of computer graphics and deals with the long-running argument about graphics in the CAD environment. Computer specialists are divided about the place of graphics in CAD.

This argument has its roots in graphics programming difficulties and the resultant high costs—both to buy and use—of many graphics systems.

The authors also make a start at grappling with the human problems that CAD causes when introduced into the design process. Design is essentially decision making; and one of the major effects of CAD systems is that they tend to push this function into the hands of those who write the design programs. But unless

such work is done by someone whose competence will not be challenged, the programs, and hence CAD itself, will for all practical purposes be rejected.

Use of CAD does impact on the exercise of professional skills of those within the design organisation. Unless great attention is paid to human factors, the introduction of such techniques will tend to breed a conservative and resistant attitude among the older members of the design team.

The authors write that these problems of the individual are admitted to be very real and difficult to solve everywhere. There is a promising way of enhancing job satisfaction and the status of those in CAD.

This is to be found within education, the provision of higher educational facilities and opportunities for practical designers to enable them to obtain post-graduate qualifications in CAD at Masters Degree level. Unfortunately, the only country in which such facilities are available was the U.K.

The survey report states that the inevitability of CAD has been recognised in some industries almost universally, particularly in electronics and ship building. It found too that utilisation of CAD techniques is rapidly increasing in some industries world-wide, particularly the automotive, transportation, chemical engineering, and civil engineering industries.

COMPUTERS

Compact printer

A NEW serial page printer, Facit 4554, has been introduced by Facit-Adda. This addition to Facit's range of peripheral products comes complete with printer-mechanism, control electronics, and a complete supply and character generator.

The printer has a print speed of 0.60 ch/s asynchronous and can be equipped with F. SFL, GCIT V24 or TTY in faces. Other features include a printer on ordinary fan-fold paper with up to four copy carbon ribbon, format feed, a control panel, and a power connector-keyboard unit.

Facit-Adda markets typewriters, calculators, accounting systems, computer peripherals, and office furniture, and provides complete planning and design services for office landscapes.

The company is based in Rochester, Kent, and is part of the Swedish Electrolux Group. The headquarters is at Main Road and the telephone number is 0634 401721.

Keeps track of cars

TRIAD has been retained by Police Scientific Development Branch of the Home Office to assist with the specification, design of an on-line management information system.

The work is being carried out with the co-operation of Dorset Police and the local authority and will contribute to the efficient deployment of resources by maintaining records of police activity in the county including the real time location and status of vehicles.

The work involves the design of special-purpose interfaces, including that between a dedicated mini-computer and the local authority 1904s, and also a specification of real time software for the mini-computer.

Triad is at 1 Dorset Buildings, Salisbury Square, London EC4Y 8ES. (01-553 5323).

TELEVISION

Satellite TV earth station

ALMOST ANY small community in Canada can receive high quality network television service using a low-cost earth receiving station developed by Rediffusion's Canadian subsidiary, Delta Benco Cascade.

The equipment sells for about \$40,000 without aerial and has

been designed in conjunction with the Canadian Federal Department of Communications to take signals from the domestic satellite system, Anik.

Maximum quality television signals would be available from the equipment which could be used to feed low power re-broadcast transmitters or cable distribution systems.

Intended for use with a 4.5m. dish aerial, the equipment operates in the 3.7 to 4.2 GHz frequency range.

Rediffusion (01-830 0221) stresses the ability of the equipment to cater for small communities economically.

ELECTRONICS

Pulse train analyser

CONSISTING OF a portable case containing a digital test unit with 16 LED displays and a pair of probes, model PTA analyser from Jabi Electronic of Norway is able to investigate most types of pulse train.

Probe detects positive and negative pulses down to 30 nanoseconds and each time a reference interval occurs the signal combinations are stored and indicated by the LED displays adjacent to diagrams showing the nature of the signal. The instruments can show conditions that could not be displayed on an oscilloscope and an incorrect or absent combination of key signals is revealed immediately.

Displays show an "L" for low level signals, "H" for high level, "P" for pulses longer than 20 ns and a blank for an open collector or floating input. A single

diagram is incorporated so that a pulse will cause a decimal point to appear when the probe impedance is switched to 11 megohms from the alternative value of 2 kilohms.

The pulse analyser is a single shot high current pulse generator that can be used for superimposing digital pulses into circuit nodes without the need to unsolder connections. The analyser is available in the U.K. from International Instruments, Cross Lanes Road, Hounslow, Middx. (01-570 6454).

MATERIALS

Cooling ducts for Nimrod

FOR THE exacting job of cooling electronic equipment in Nimrod aircraft, Hawker Siddeley Aviation has ordered filament-wound glass ducting from G. I. Engineering Composites, the high performance reinforced plastics subsidiary of Imperial Metal Industries. The initial con-

tract calls for over 1,500 feet of ducting and further orders may increase this to over 9,000 feet.

The ducting is filament-wound from Fibreglass "E-glass" E-glass rovings in a matrix of "Impol F924," a new polyester resin from ICI Petrochemicals Division. This resin attains the stringent classification of a low-smoke, Class 1 flame-retardant polyester (to BS 476) in combination with a heat distortion temperature of 52 deg. C. It was chosen for these factors, and because of its high strength and stiffness.

The rear part of the ducting has a circular section of 5 inches

diameter and 0.05 inches wall thickness, giving an estimated 30 per cent weight saving compared with aluminium alloy.

The forward part of the ducting departs from the conventional circular cross-section. It is made up of two asymmetrical box-section ducts shaped to follow the contour of the Nimrod fuselage, bonded together with "ICI silicone" adhesive/sealant "Siloset 153."

ICI Engineering Composites, PO Box 216, Birmingham B6 7EA (021-355 4948).

CONTRACTS AND TENDERS

NOTICE FOR TENDER NO. 11/1975

TYRE FACTORY, TAGURA AREA, LIBYAN ARAB REPUBLIC

- The General National Organization for the Industrialisation invites International and first class local contractors to participate in the above tender, namely the Execution of work for a Tyre Project at Kilometer 17 Tagura Area, and which comprises the following:
 - Site Levelling works
 - To include excavation, filling and compaction work in accordance with the conditions indicated in the tender documents.
 - Structural and masonry works comprises the following:
 - Production hall with a total surface area of 47,712m². This includes a metal frame on a part of which the building for the mixer and the mills shall be constructed on a surface area of about 8,640m², and three storeys of concrete ceilings borne on metal structure.
 - Industrial services building on a total surface area of about 1,550m²; the ceilings shall be iron truss borne on concrete frame.
 - General services building on a total surface area of 7,000m² of a concrete frame. The project shall be established on a surface area of 300,000m².
 - All works shall be according to the specifications and drawings attached to tender documents. Tender documents are obtainable from supplies department of the General National Organization for Industrialisation against payment of L.D. 500.- (five hundred Libyan Dinars). The contractor may apply for an extra copy of the documents against payment of L.D. 300.- (three hundred Libyan Dinars) both not to be reimbursed.
 - Tenders should be submitted in the name of G.N.O.I. not later than 12 noon on 14.8.75 which is the date of submitting the tenders. The opening of the tenders will take place at ten o'clock on 14.8.75.
 - Tenders must be accompanied with a provisional guarantee deposit of L.D. 100,000.- (one hundred thousand Libyan Dinars) in the form of either:
 - Letter of guarantee issued by a first class Libyan Bank, and valid for 3 (three) months from 14.8.75.
 - A cheque acceptable to Libyan Bank.
 - Tenders submitted after the date and time as specified, or those not accompanied by the provisional guarantee deposit, will not be considered.
 - All foreign companies are requested to accompany their offer by a letter stating their financial and commercial status authenticated by the chamber of commerce and duly legalized by the L.A.R. competent consular service. If any false information is given the Organisation will cancel the offer and liquidate paid bond.
- The General National Organization for Industrialisation, P.O. Box 4355, Tripoli, L.A.R. (Cable Address—TASNAJALIBA) El-Sherief/Fahmy

INVITATION TO TENDER

TENDER NO. 55/B/1/75

SHARJAH—RAS AL KHAIMAH (SECOND CARRIAGEWAY)

The Ministry of Public Works invites suitably experienced contractors to tender for the construction of the Sharjah-Ras Al Khaimah second carriageway.

Tender documents may be obtained from the Ministry's offices in Abu Dhabi with effect from Saturday 14.6.75 against a non-refundable fee of DH.5,000 (dirhams five thousand-only).

Completed tender should be accompanied by a tender bank guarantee valid for 90 days for the sum of DH.1,000,000. The successful tenderer will be required to provide a 10 per cent. performance bond valid for the contract period.

Completed tenders should be submitted in three copies (original and two copies, duly signed and stamped by the contractors) together with all the tender documents and drawings, including the required tender bank guarantee. These should reach the Ministry within sealed envelopes displaying the subject and number of the tender on the front of the envelope, not later than 6 p.m. Sunday 3.8.75, and addressed to:

The Ministry of Planning, Permanent Projects Committee, Abu Dhabi, (Behind Al Khubarah Building No. 13).

Tenders arriving after this time and date will be rejected.

The Ministry is not bound to accept the lowest tenders.

This invitation must be read as part of the tender document.

Hamdan Bin Mohammed Al Nahyan, Minister of Public Works, United Arab Emirates.

BOROUGH OF PRESTON

2208m STEEL PIPELINE — 450mm DIA

Tenders are invited for the supply of 367 lengths of 450 mm internal diameter 10 mm thick steel pipe. Each length to be 6m long complete with flanges.

An alternative price is to be submitted for 8 mm thick steel pipe. Pipes are to be of steel material of shipbuilding quality or equivalent.

The tenderer is required to provide a bond for ten per cent or such higher percentage as may be required by the first contractual payment.

Tenders should be submitted in duplicate in sealed envelopes marked tender No. 2045/3/R to Mr. H. T. Heap, Chief Executive Officer, Town Hall, Preston PR1 2RL, LANCAHIRE

The closing date for receipt of tenders is 12 noon on 14th July 1975.

CONTRACTS AND TENDERS

Appear Every Monday

For further information

Contact: Rosemary Andrews

01-236 0107

BOROUGH OF PRESTON

PROCUREMENT OF DREDGE SERVICE TENDER

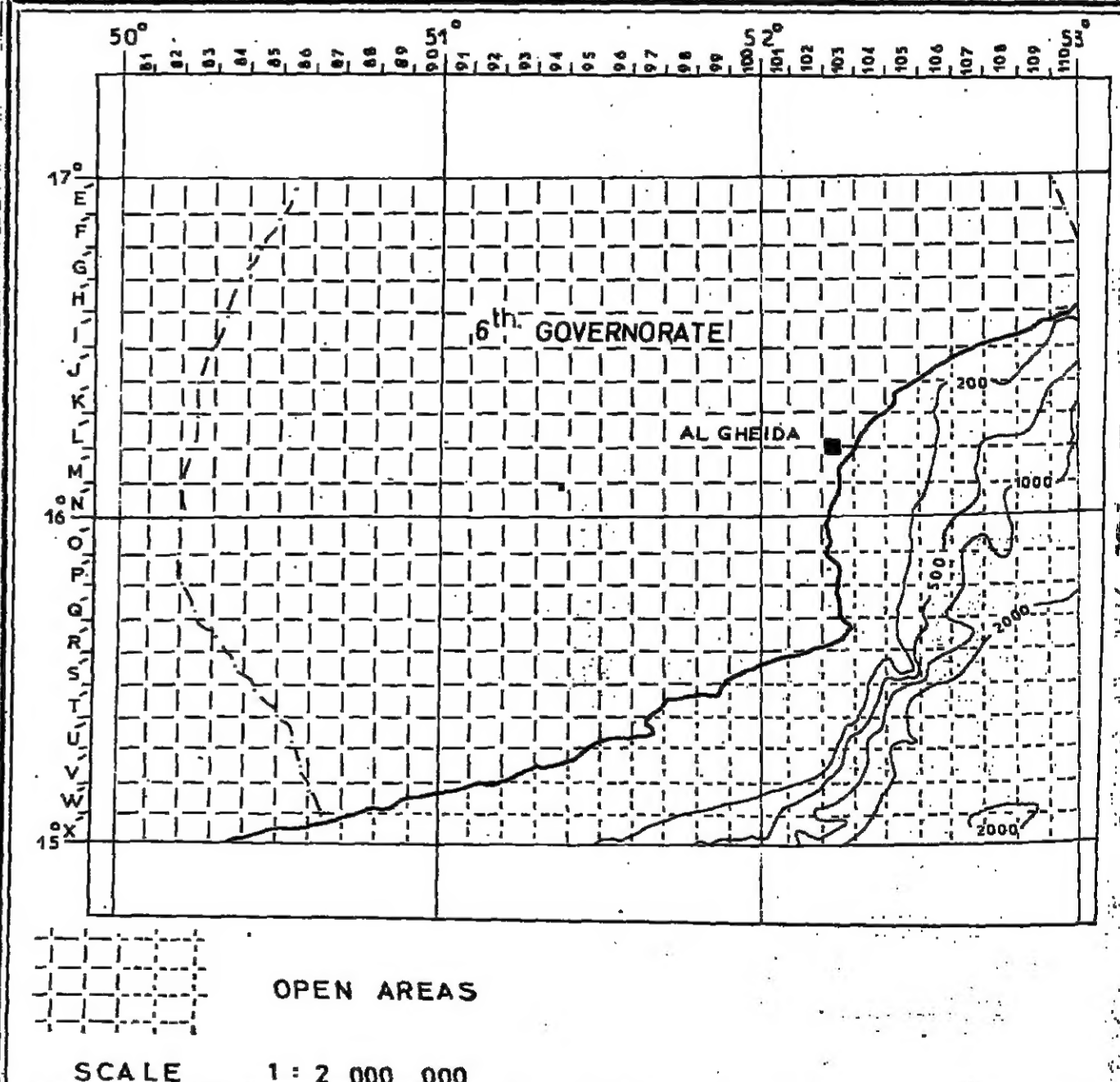
Seadrec (London) Ltd. have been commissioned to invite tenders for the above equipment.

The scope of work is to construct, deliver, re-erect (if necessary) and commission the equipment.

Tender documents are available from SEADREC (LONDON) LTD., 17A CURZON STREET, LONDON W1Y 7FL.

The tenderer is required to provide a bond for 10 per cent, or such higher percentage as may be required by the first contractual payment.

The closing date for receipt of tenders is 12 noon on 17th July 1975.



OIL EXPLORATION & EXPLOITATION INTERNATIONAL BID

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN (P.D.R.Y.) — PETROLEUM AND MINERALS BOARD (P.M.B.) announces the offering of the above shown open areas in Al-Ghaida region of the 6th Governorate:—

- Terms are based on 'Production Sharing'
- Maximum area is Ten Thousand square kilometers per single contract.
- Minimum obligation should be supported by Letter of Guaranty, but not less than seismic survey and drilling of two wells within the first 3 years.
- Cost of Recovery out of 40% for Company. The rest 60% is split as follows: Company 12% P.M.B. 48%.
- Realised price of excess cost recovery crude returns to P.M.B., P.M.B. has also the right to take excess cost recovery crude in kind.
- Old data are available for investigation at P.M.B. Office—Aden.
- Please communicate before end of August 1975 with:

P.M.B. CHAIRMAN

CABLES: YNOC ADEN TEL.: 24155
TELEX NO.: 215 AD 24993

Building and Civil Engineering

Wimpey at work in Scotland and Kent

IN SCOTLAND, George Wimpey & Co. has just been awarded two housing contracts which between them total over £5m. The biggest of these contracts is for 321 single and 2-storey No-Fines houses which are to be built in the Deans District of Livingston New Town.

This contract, which includes all site preparation work, has just started with an estimated completion towards the end of 1977. It will bring the total houses built for the Development Corporation by the Company to more than 1,500 in the past seven years.

The second contract is for 188 two-storey houses which are to be built in the village of Milton of Kildary in Ross-shire for the Scottish Special Housing Association.

Again, the houses will be built in No-Fines. Site servicing is due to start soon and it is expected to complete the project by mid-summer 1977.

Down at the other end of the U.K., Tonbridge & Malling District Council has awarded the company a £2.4m. contract for 208 No-Fines houses and flats at Sandringham, Kent.

Work is due to start to-day and be completed in two years.

Variety of jobs for Espley-Tyas

MORE THAN £4.2m. worth of contracts have been awarded to Espley-Tyas.

The largest, worth over £1.1m., is for two- and three-storey blocks of shop, office and flat accommodation with an arcade between, and sundry other buildings, at the Cannon Park District Centre, Coventry.

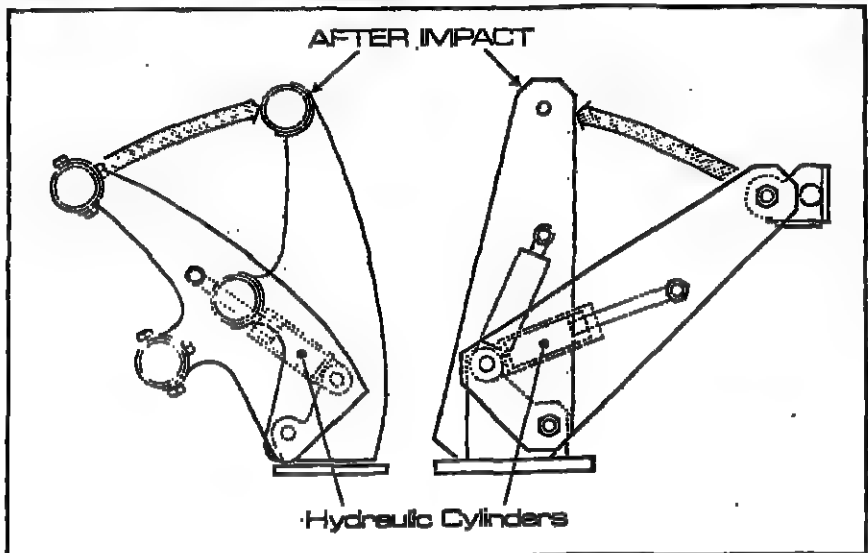
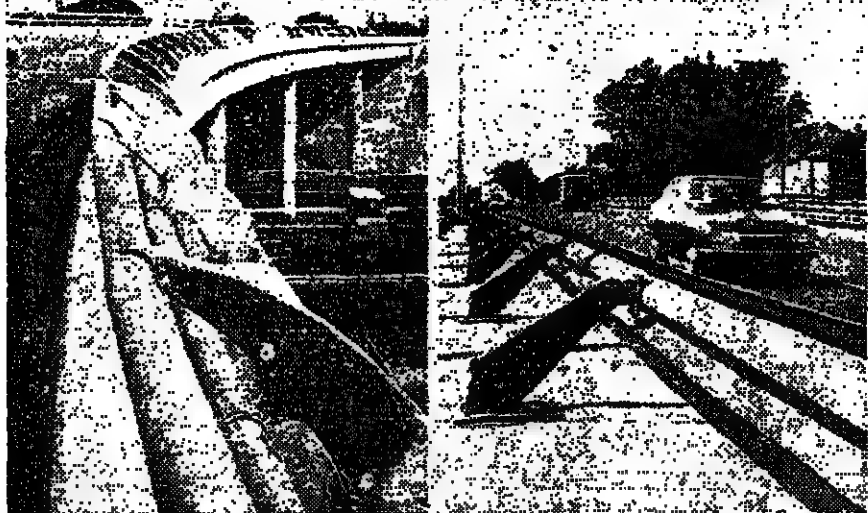
Also to be built in the centre is a £785,000 supermarket for J. Sainsbury.

The other contracts are for housing at Wellesbourne for Stratford-on-Avon District Council (£498,000), a station at Gloucester for British Rail (£267,000), a NAAFI shop at Hereford for the Property Services Agency (£182,000), a hospital school (£200,000) and several small jobs with a total value of £888,721.

READY-TO-USE ACCOMMODATION
From **£570**

Youngman
SYSTEM BUILDING
Preston, Lancs. Tel. 0524 2003
BRANCHES NATIONWIDE

Shown here are two designs of road safety barrier based on an energy-absorbing device to form a structure which already has been proved by extensive testing to be considerably superior to conventional rigid barrier types. The device consists of a high pressure hydraulic cylinder built into the barrier post. This helps to reduce the severity of vehicle impact by progressive yielding and thus cuts the risk of injury to car occupants. The system also helps to reduce the danger of a vehicle breaking through the barrier or, equally dangerous, rebounding from the barrier and careering across the path of other traffic. Road Research, a Burmah Group company at Market Drayton, evolved the design. It uses high strength, cold drawn seamless steel tube produced by Tubes (TI Steel Tube Division) which has collaborated with Road Research during the five-year period of investigation of safety barrier design and the evolution of the company's own superior product. The idea is now being incorporated into vehicle bumpers and has been shown to provide complete protection to the vehicle body at impact speeds up to 5 mph.



£4.1m. homes project

G. E. WALLIS and Sons has won a contract worth over £4m. for the building of houses in Murchison Road, Kensington, London.

The contract, which is for the Kensington Housing Trust, involves demolition of existing housing, and the construction of 244 dwellings, and an office block.

Work will start soon and is scheduled for completion by September 1978. Architects are Chapman Taylor Partners.

Cementation wins £3m. contracts

TWO CONTRACTS worth about £750,000 have been won by Cementation Piling and Foundations. One is in South Wales, the other in Southend, Essex.

In South Wales, the company is to carry out a piling contract for two bridges on the Stormy Down-Groes section of the M4 London-South Wales Motorway.

For one of the bridges over 3,000 cast in situ bored piles of 800mm diameter are to be constructed to depths of some 30 metres. At the other, known as Kengs Viaduct, 1,300 driven in situ piles of 350mm diameter are needed.

This part of the work has been sub-contracted by Cementation to West Piling and Construction. Value of this contract is £480,000 and main contractor is Bovis Civil Engineering. The Southend contract is for

diaphragm walling for a new underpass forming part of the Southend inner ring road. About 5,000 square metres of walling is to be constructed to a maximum depth of 18 metres. Value of this, for which the main contractor is Scott Hale is £256,000.

Midlands jobs by Tarmac

TARMAC GROUP has won two contracts worth more than £1m. from Telford Development Corporation, Shropshire.

The larger is a 10-month contract worth £673,000 for the construction of 6,300 metres of open surface water channel with 40 small structures from Rushmore to Wappenshall in North Telford.

Pipe trenches, dual culverting, open channels and 170 metres of 2-metre diameter tunnel are included in the second contract, valued at £342,000, to be carried out at Oakengates over a 43-week period.

Meanwhile, McLean Investments, a development company within the Tarmac Group, has begun work on an extension to its development of Chase Park Industrial Estate, at Chase Terrace, Cannock (Staffs.).

This will comprise three basic buildings capable of providing up to 11 units of accommodation of 3,000 to 6,000 sq. ft. The units should be completed by November, by which time McLean Investments hopes to have begun work on the final phase which will make a further 50,000 sq. ft. available.

The estate already has a block of three units in full occupation and work on 35,000 sq. ft. premises for the Bio-tech Link and Stamping Company is well ahead. Total value of the estate contract is £1.6m. and when finished it will cover a total area of 150,000 square feet.

Advice for North Sea suppliers

COMPANIES servicing and supplying oil and gas rigs in the North Sea can now benefit from a new Offshore Advisory Service which has been established by BSI as a subsidiary section of its Technical Help to Exporters Department (THE). It aims to help companies baffled by the complexities of widely varying equipment regulations which confront them.

Metal roof saves cost and labour

MECHANICAL MEANS of installing standing-seam metal roofs have been developed to replace the expensive hand-seaming techniques.

Developed in the U.S. by Butler Manufacturing Company is a roofing system called "MR-24" which uses 24 gauge steel strip hot-dip coated with aluminium, which operates at about 13ft./one-sixth the weight of conventional tar-felt-gravel types.

The roof was designed for use in combination with Butler Structural Systems, a factory-produced system for constructing low-rise commercial and industrial buildings.

Installation is by a self-propelled roll-forming machine which seams the edges of the metal roof panels under pressure into a double lock standing seam. The seam incorporates a factory-applied sealant.

The 24-inch wide panels have a partially formed edge, which serves as a track for the electrically powered seaming unit. The panels are joined in about 10 minutes.

Oil and gas fields in the North Sea have become a proving ground for deep sea drilling and many of the supply companies have no previous experience to rely on. OSAS will help by identifying, obtaining and interpreting relevant equipment regulations, which frequently refer to foreign standards and codes of practice.

The new service will be worked on a membership basis and initially all but the most complex inquiries will be handled free. OSAS membership costs £85.00 a year to THE members. Non-members can join both THE and OSAS for £100.00.

Further information from Mr. W. L. Leicester, Technical Help to Exporters, British Standards Institution, Marylands Avenue, Hemel Hempstead, Herts HP2 4SQ.

Homes and warehouses

THREE CONTRACTS worth nearly £1m. have been won by FPA Engineering, a subsidiary of the FPA Construction Group.

One of them, valued at nearly £14,800 and awarded by Medway District Council, is for the construction of 71 houses and 10 flats at Cliffe, Kent.

Another is worth £310,545 and involves two industrial warehouses at units C and D of the Ringway Industrial Estate, Bude, Cornwall.

The third is to re-model and extend office premises owned by the Scottish Amicable Assurance Society at East Parade in the centre of Sheffield.

The roofing specification is for Scotchcote 208 epoxy powder applied to a minimum control thickness of 0.012 inches and electrically tested for solubility.

Speeds the heating installation

FACTORY prefabricated pipe work, which it is claimed enables domestic central heating installations to be immediately assembled on site, is being produced by W. S. Lowdell (Nuthur), Micon Works, Star Road, Partridge Green, Horsham, Sussex (BN40 7JH), which recently opened a new factory to make the system.

When a contract is gained, exact requirements according to the type of dwelling are pre-determined. All materials and components are purchased, sub-assemblies made, pipes cut and pre-formed, and the complete system labelled and packaged at the factory.

On site, much of the fitter's work is already done, saving time, labour, materials, and the complexities of widely varying equipment regulations which confront them.

The roof is fastened to the purlins by a clip assembly. For thermal movement, the clip moves in a slot in the purlin along the seam line, while lateral movement is taken up by the standing seam shoulders.

The roof allows for a near flat (1 in 48) system, previously achieved only by built-up roof systems. Maintenance problems associated with built-up roofs are said to be eliminated—the company offers a 10-year warranty.

Thermal insulation is claimed to be excellent. A 3-inch thick layer of glass fibre is incorporated under the panels.

An expanded polystyrene spacer is placed between each purlin and the roof panel to eliminate the usual "cold bridge." The roof is said to achieve a "U-value" of 0.097.

Cost is about 70p/sq.ft. compared with £1.15/sq.ft. for built-up roofs and the system will be in full production at the company's U.K. factory — Butler Buildings (U.K.), Mitchelton Industrial Estate, Kirkcaldy, Fife KY1 3LZ (0592 62300) — by September.

CHIVERS
Founded 1884
BUILDING & CIVIL ENGINEERING CONTRACTORS
JOINT MANUFACTURERS
TEAM PROJECTS
ELECTRICAL CONTRACTING
W. E. CHIVERS & SONS LTD.
HEAD OFFICE: DEVIZES 2121
Branches at LONDON, READING, ROMSEY & CHELTENHAM

County Hall for Gwent

SIR ROBERT McAlpine and Sons has been awarded a contract valued at £3.4m. by the Gwent County Council for work involved in the construction of the new Gwent County Hall at Crosscilling, Cwmbran.

This contract calls for the building of a five-storey structure

with a floor area of 14,750 square metres providing staff recreation rooms, members' rooms, committee rooms, council chamber and assembly hall, car parking and storage space.

Work is now starting and completion is planned for late 1977. Architects are Robert Marth & Johnson Marshall and Partners.

Study for Spanish hospital

DIPUTACION Foral de Navarra has appointed ISER Architects, London, in association with San Martin/Sanchez de Munain, Spain, and Raadesvev Bureau Twijnstra en Gude NV, Holland, to prepare a development plan for the Navarra Provincial Hospital, Pamplona. The team will commence work this summer and the study should be completed by May 1978.

Advice will be given on the phased redevelopment of the hospital to incorporate a new maternity hospital, a geriatric unit and a psychiatric in-patient hospital as part of the general hospital complex, which will also include its neuro-surgery speciality.

Total bed complement in the present general hospital and the psychiatric hospital is almost 2,000, but this is likely to be significantly reduced by the introduction of new treatment methods which in turn will be made possible through the creation of a new integrated hospital centre.

Big shopping centre

THE NORWICH structural engineering firm of Boulton and Paul has been awarded a contract worth nearly £7m. for the supply and erection of structural steel work, precast reinforced concrete floor units, and glazing, for one of the largest covered shopping centres in Europe at Milton Keynes, Bucks.

Old people's residences

HOMES for the elderly worth over £1m. are to be built by V. J. Lovell (Building) under contracts awarded by Surrey County Council and the London Borough of Ealing.

At South Mertonham, Surrey, the company will build a two-storey home providing single and double bed-sitting rooms round a central quadrangle. Costing £277,988, the work will last 78 weeks.

Two overlapping two-storey wings, with a single-storey kitchen and services wing will provide accommodation for 40 elderly persons and a warden at Wood End Way, Whitton Avenue, Northolt, at a cost of £284,387.

Polymer mix for concrete

TO INCREASE tensile and compressive strength, and improve abrasion resistance, Boston Chemical Co., Wetherby, West Yorks, LS23 7BZ (0937 843413) has developed a polymer emulsion which can be added to mortar and concrete, flooring, screed mixes. It is supplied in 200 litre drums.

It is claimed that the good adhesion to base concrete and improved resilience enables screeds to be laid at 6 to 12 mm thicknesses, and obviates the need for expansion joints at frequent intervals.

The improved abrasion resistance stops dusting, and the polymer increases resistance to spillages of oil, fat and grease. It can also be used for precast slabs and blocks.

Four Kent contracts

TOTALLING £500,948, four contracts in Kent have been awarded to R. J. Barwick and Sons.

For Thanet District Council, a seven-storey block of 41 two and three person flats, caretaker's and community rooms (Plasticon) are to be built at Hardress Street, Ramsgate. Costing £295,440, work should be completed by Christmas 1978.

At St. Thomas's School, Millary Road, Canterbury, an assembly hall, kitchen, offices and store is to be built for the concrete and brickwork.

Big housing scheme takes shape

A £3.2m. contract for houses—phase five of the March Farm development—has been awarded to M. J. Sharpe (Contractors) by Luton & Dunstable Council.

The contract is for 120 houses and 120 flats and brings the total value of the development awarded to Sharpe (contractors) since the inception of the development. The company has completed phases two and three (£1.8m.) and is currently working on phase seven (£3.1m.).

The March Farm development was started in 1967 and when complete at the end of 1977 will include over 1,500 houses, 530 flats, 336 multi-storey flats, 63 maisonettes and 22 bungalows, housing a population of nearly 10,000.

£1m. awards to Rush and Tompkins

TASK CONSTRUCTION, North-Eastern subsidiary of the Rush and Tompkins Group, has been awarded six contracts totalling almost £1m.

The contracts are for a school for physical handicapped children for Cleveland County Council (£380,000), extensions to a telephone exchange at Middlesbrough for the Property Services Agency (£174,000), advance factories 4 and 5, South Nelson Industrial Estate, Crumlington for Northumberland County Council (£154,000) and extensions to a switch house for Imperial Chemical Industries (£175,000).

Other contracts are for alterations to premises at Stockton-on-Tees for Leeds Permanent Building Society (£91,000) and workshops and offices at Hartlepool for Hartlepool Water Co. (£30,000). In addition Rush and Tompkins Scotland has been awarded a £180,000 contract for an extension to the Telephone Exchange at Lochgubhead.

Craftsmen form a guild

TO AVOID confusion with other bodies in the construction industry, the Federation of Master Craftsmen has changed its name to the Guild of Master Craftsmen.

It is an independent non-profit-making body, set up to further and protect the interests of self-employed craftsmen in the private construction and maintenance industry, and to protect the public against shoddy work and sharp practice.

Membership (£15 p.a.) is open to all self-employed craftsmen in the private housebuilding sector, provided they can prove their honesty and competence and can provide references from satisfied customers. Members benefit by free advice on taxation, legal matters, finance, planning applications, surveying and architecture, and company credit rating.

The Guild is at 46 Old Bond Street, London W1 (01-629 14831).

● B. F. Goodrich is marketing a new kind of cement in Europe for use in precast concrete (Plasticon) are to be built at Hardress Street, Ramsgate. Costing £295,440, work should be completed by Christmas 1978.

Design-Construct
Stanhope White Limited
Building, Civil, Mechanical and Electrical Engineering
109 Garstang Road, Preston, Lancs. Tel: 0772 23331
Avenue Charles Brasine 30, 1160 Brussels. Tel: 02/673.35.68

CHUDLEIGH SOUTH DEVON
By Order of G. A. Coombe, Esq., F.C.A., Receiver for F. T. White & Sons, Ltd.
AN IMPORTANT SALE BY AUCTION OF MODERN CONTRACTORS PLANT
by Caterpillar, International, Komatsu, Hestfield, Volvo, Ford, Wipac, Bomag, John Deere, Truck Marshall, Hymac, Pöclain, O & K, J.C.B., Aveling.
on Thursday, July 24th at 11 a.m.
Catalogues from the Auctioneers:
Husseys
Chartered Surveyors, Alphabrook Road, Alphenham, Exeter (Tel. 50441).
GLEESON
GLEESON CIVIL ENGINEERING LTD.
A member of the Gleeson Group of companies
HARDEN HOUSE,
LONDON ROAD, NORTH CHEAM,
SURREY. Telephone: 01-444 4321
at Mitcham: 01-895 5445
NEARLY 50 YEARS
DAMS & POWER STATIONS
MAJOR ROAD & BRIDGE WORKS
SEA DEFENCE & EMBANKMENT SCHEMES

A COMPLETE PACKAGE DEAL
Owen
Thorn

IF YOU HAVE PLANT AND MACHINERY SURPLUS TO YOUR REQUIREMENTS, AND WOULD LIKE TO ADVERTISE IN THIS COLUMN, PLEASE TELEPHONE MR. FRANCIS PHILLIPS ON 01-234 0108.

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4A 3DF.
Telephone Day & Night: 01-248 8000. Telegrams: Finantime, London.
Telex: 855341/2, 855397.

London: George House, Cannon Street, London EC4A 3DF. Tel: 01-248 8000.
 Dublin: 21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-1225-1226-1227-1228-1229-1230-1231-1232-1233-1234-1235-1236-1237-1238-1239-1240-1241-1242-1243-1244-1245-1246-1247-1248-1249-1250-1251-1252-1253-1254-1255-1256-1257-1258-1259-1260-1261-1262-1263-1264-1265-1266-1267-1268-1269-1270-1271-1272-1273-1274-1275-1276-1277-1278-1279-1280-1281-1282-1283-1284-1285-1286-1287-1288-1289-1290-1291-1292-1293-1294-1295-1296-1297-1298-1299-1300-1301-1302-1303-1304-1305-1306-1307-1308-1309-1310-1311-1312-1313-1314-1315-1316-1317-1318-1319-1320-1321-1322-1323-1324-1325-1326-1327-1328-1329-1330-1331-1332-1333-1334-1335-1336-1337-1338-1339-1340-1341-1342-1343-1344-1345-1346-1347-1348-1349-1350-1351-1352-1353-1354-1355-1356-1357-1358-1359-1360-1361-1362-1363-1364-1365-1366-1367-1368-1369-1370-1371-1372-1373-1374-1375-1376-1377-1378-1379-1380-1381-1382-1383-1384-1385-1386-1387-1388-1389-1390-1391-1392-1393-1394-1395-1396-1397-1398-1399-1400-1401-1402-1403-1404-1405-1406-1407-1408-1409-1410-1411-1412-1413-1414-1415-1416-1417-1418-1419-1420-1421-1422-1423-1424-1425-1426-1427-1428-1429-1430-1431-1432-1433-1434-1435-1436-1437-1438-1439-1440-1441-1442-1443-1444-1445-1446-1447-1448-1449-1450-1451-1452-1453-1454-1455-1456-1457-1458-1459-1460-1461-1462-1463-1464-1465-1466-1467-1468-1469-1470-1471-1472-1473-1474-1475-1476-1477-1478-1479-1480-1481-1482-1483-1484-1485-1486-1487-1488-1489-1490-1491-1492-1493-1494-1495-1496-1497-1498-1499-1500-1501-1502-1503-1504-1505-1506-1507-1508-1509-1510-1511-1512-1513-1514-1515-1516-1517-1518-1519-1520-1521-1522-1523-1524-1525-1526-1527-1528-1529-1530-1531-1532-1533-1534-1535-1536-1537-1538-1539-1540-1541-1542-1543-1544-1545-1546-1547-1548-1549-1550-1551-1552-1553-1554-1555-1556-1557-1558-1559-1560-1561-1562-1563-1564-1565-1566-1567-1568-1569-1570-1571-1572-1573-1574-1575-1576-1577-1578-1579-1580-1581-1582-1583-1584-1585-1586-1587-1588-1589-1590-1591-1592-1593-1594-1595-1596-1597-1598-1599-1600-1601-1602-1603-1604-1605-1606-1607-1608-1609-1610-1611-1612-1613-1614-1615-1616-1617-1618-1619-1620-1621-1622-1623-1624-1625-1626-1627-1628-1629-1630-1631-1632-1633-1634-1635-1636-1637-1638-1639-1640-1641-1642-1643-1644-1645-1646-1647-1648-1649-1650-1651-1652-1653-1654-1655-1656-1657-1658-1659-1660-1661-1662-1663-1664-1665-1666-1667-1668-1669-1670-1671-1672-1673-1674-1675-1676-1677-1678-1679-1680-1681-1682-1683-1684-1685-1686-1687-1688-1689-1690-1691-1692-1693-1694-1695-1696-1697-1698-1699-1700-1701-1702-1703-1704-1705-1706-1707-1708-1709-1710-1711-1712-1713-1714-1715-1716-1717-1718-1719-1720-1721-1722-1723-1724-1725-1726-1727-1728-1729-1730-1731-1732-1733-1734-1735-1736-1737-1738-1739-1740-1741-1742-1743-1744-1745-1746-1747-1748-1749-1750-1751-1752-1753-1754-1755-1756-1757-1758-1759-1760-1761-1762-1763-1764-1765-1766-1767-1768-1769-1770-1771-1772-1773-1774-1775-1776-1777-1778-1779-1780-1781-1782-1783-1784-1785-1786-1787-1788-1789-1790-1791-1792-1793-1794-1795-1796-1797-1798-1799-1800-1801-1802-1803-1804-1805-1806-1807-1808-1809-1810-1811-1812-1813-1814-1815-1816-1817-1818-1819-1820-1821-1822-1823-1824-1825-1826-1827-1828-1829-1830-1831-1832-1833-1834-1835-1836-1837-1838-1839-1840-1841-1842-1843-1844-1845-1846-1847-1848-1849-1850-1851-1852-1853-1854-1855-1856-1857-1858-1859-1860-1861-1862-1863-1864-1865-1866-1867-1868-1869-1870-1871-1872-1873-1874-1875-1876-1877-1878-1879-1880-1881-1882-1883-1884-1885-1886-1887-1888-1889-1890-1891-1892-1893-1894-1895-1896-1897-1898-1899-1900-1901-1902-1903-1904-1905-1906-1907-1908-1909-1910-1911-1912-1913-1914-1915-1916-1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-264

Public expenditure: continuing our series, Anthony Harris discusses ways to stem the ever-increasing local authority housing deficit

A radical look at the council tenant

IN A RECENT exchange in the House of Commons a Tribune group back-bencher claimed that he had learned, through the brick industry, that the Government was planning to build new local authority housing by no less than 50 per cent. within a year. Ministers replied with the usual denials and evasions, but there is no doubt that many people in the local authorities which will have to build the housing will be deeply relieved if the rumour were true; indeed, one financial officer of a very large local authority recently told me that the essential first step to taking any sense of housing policy and local finance would be to stop public sector building entirely, and for the indefinite future.

Altogether, there is a smell of change in the air. The review of housing finance commissioned after the last election by Mr. Anthony Crosland has become a focus for radical thinking, but the review itself was only a response to an increasingly intolerable situation. Total public expenditure on housing is now running at about £3.5bn. annually, with a building programme of £2bn, subsidies approaching £1bn, rent allowances and rent rebates amounting to £300m., with smaller sums for improvement grants, option mortgages and the like. In addition, tax allowances against mortgage interest will reach some £750m. this year. The total result of all this expenditure, in the context of existing policies, is largely inappreciable: a housing market in which record levels of homelessness go with a post-war record of vacant housing, in which the effective cost of a mortgage is cheaper for the richest buyers than for council tenants subsidise their richer neighbours,

and private renting is in enforced decline. At the same time the structure of the market and its financing have drastically reduced labour mobility, and inhibited Governments from pursuing their declared monetary objectives. The strategy of subsidising demand in the private sector as well as supply in the public sector, has driven up the price of housing land in the U.K. to about the highest level in Europe, in spite of relatively low incomes.

Crisis

However, it is not the general and illogical mess of housing policy which has stimulated the present efforts to start afresh, but one particular crisis: the intolerable strain on local government finances produced by rising interest rates and a continued high-cost building programme. A combination of rent freezes to encourage wage restraint and rapidly rising land and construction costs has brought on the crisis rather suddenly; but a crisis would have come sooner or later in any case, simply as a result of the declining average age of the public sector housing stock. The reason for this is one of the less understood features of public sector housing: the main protection for council tenants lies not in the subsidies which the Government gives (until rents were frozen by Mr. Edward Heath, local rents covered some 75 per cent. of costs), but the fact that councils charge rents based on the historic cost of their houses, and not on their market value. The older the average age of the housing stock, the bigger the gap between average historic cost and current cost, and the lower the "economic" rent can be.

Imagine, for a moment, that there had been no inflation after

1960, and that at that time a council house could be built, including land, for £6,000. Assume that in 1980, the average historic cost of the houses run by the Brackenhurst Council was £2,000. In the next 15 years Brackenhurst doubles its housing stock: half has now cost £6,000, half an average of £2,000, and the average cost for the whole stock is now £4,000. Without any inflation at all, and simply because of new building, the "economic" rent—as every Government has defined it—has doubled.

In fact there would be very strong political pressure to resist a steady rise in council rents at a time of generally stable prices (including stable prices for new houses). There is equally strong resistance to the actual need, recently restated by Mr. Crosland, to raise rents faster than the rate of inflation. It is the hidden "subsidy" represented by historic costs, and its steady but unnoticed disappearance as new building continues, that goes far to explain the repeated political and financial crisis over rents and subsidies in the public sector. It is equally true to-day that even if inflation were successfully stopped by Mr. Denis Healey, and if rents were raised at once to "economic" (historic cost) levels, they would still have to go on rising in future if new building continued.

We have so far discussed steady prices and, by implication, a steady rate of inflation. Our actual experience of accelerating inflation has made matters a great deal worse, because it has led to higher interest rates.

Since council houses are amortised over a period of 60 years, interest rates are by far the biggest item in the cost borne by housing revenue accounts, and supported by sub-



Thameside council flats: in some local authorities not even a total cessation of building would stop their housing deficit, as refinancing continues.

sidies. The burden of interest rates varies a good deal from one authority to another, according to the judgment of past finance officers in the length of loan raised to support new building, and the consequent accidents of refinancing at very much higher interest rates. In general, however, housing revenues have had to cover a rapidly rising percentage of a more slowly rising average cost per dwelling. This is in fact the major explanation of the crisis at the moment: in the past decade the current account deficit of local authority housing has increased about tenfold, from £150m. to £1.5bn., largely because of this.

The combination of average-cost algebra and interest rates leads to an odd conclusion: it is very difficult to make any large cut in housing subsidies as a contribution to reducing inflation, since rents, less rebates,

now cover only 44 per cent. of outgoings. The rises Mr. Crosland has been demanding will almost certainly be delayed by pay restraint. On the other hand, if inflation is convincingly reduced by alternative means, and interest rates fall sharply, the housing deficit could also come down, though only over a period, since many of the loans now falling in for refinancing were raised some years ago at much lower rates.

For the moment, however, the full-scale crisis persists: in some authorities it is true to say that not even a total cessation of building would stop their housing deficit rising, as refinancing continues. More important, a situation in which local authorities simply cannot contemplate the rent increases which would have to be imposed on existing tenants of old buildings to cover the cost

of new ones—the subsidy given by mainly poorer tenants to mainly richer ones—is provoking the very radical questioning which is now becoming fashionable. The question of whether local councils should put up new buildings is a perfectly serious one. An idealised housing market—one which ignores the awkward fact that a house next to your place of work is rather more useful than one in rural Scotland—would function rather like the car market. The rich would buy new houses, the poor secondhand.

The present housing policy, on the other hand, is roughly equivalent to saying that any one who could not afford a secondhand car should sign on to a waiting list, and use a bicycle until a State-subsidised Rover became available. The Parker-Morris standards of space and equipment for new

public sector housing are now significantly higher than those provided in low-cost private sector housing for sale.

There can be no doubt that a combination of higher rents, within the limits set by pay restraint, and lower costs for future additions to the public sector housing stock, offer the best hope of checking the slide into ever-increasing deficit; but results, inevitably, will be slow.

Indeed, whatever approach is suggested—the sale of some council houses (now favoured by some Labour councils), or the reduction of council maintenance and management services, possibly as part of a drive towards co-operative tenant management—can make only a limited impression on a subsidy bill which is largely the result of past expenditures and past financial decisions. Is there any way, therefore, of achieving quicker results?

This question becomes a sinister one when it is remembered that owner-occupiers are also being scrutinised in Mr. Crosland's review. It is being noticed that the owner-occupier, like the council tenant, enjoys some large hidden benefits: notably, he can borrow far more cheaply than can the public sector, due to the curious position of the building societies, and he pays no tax on the benefit of ownership. This is not a particularly Socialist thought: Mr. Enoch Powell has probably been more scathing about the "swindle" represented by the abolition of Schedule A 15 years ago than any Labour politician. Mr. Crosland has not mentioned Schedule A, but he sometimes seems to come near it.

The logic of a tax on notional income, like that of a subsidy which consists simply of failing to take a profit, is not

generally understood, but it is simple enough. A neutral tax system would not make any special concession to occupying a house, rather than owning it: therefore it would be just as advantageous for an owner to let his house and rent another as to live in it himself. This is not so, since Schedule A was abolished, because he is taxed on any rent he charges, but not on the rent he saves by living in the house himself. Originally, of course, the tax allowance against mortgage interest was an allowance against tax on ownership; only any net benefit of ownership, after financing and maintenance costs, was charged. Mr. Crosland's remarks on the unequal treatment of those who have bought a house recently, and are burdened with heavy mortgage payments, and those who bought a long time ago, are surely a hint at something like Schedule A.

General tax

To reintroduce a general tax on home ownership would be to slaughter a sacred cow of truly monstrous size: it may prove politically impossible. Nevertheless, it is as true in the private as in the public sector that public money—loss of potential revenue—is being used in a way which bears virtually no relations to need, and which impedes mobility. Given the intractability of the public sector problem, the substantial policy changes already made there, and the slow financial results which they are likely to produce, the temptation to tackle the finances of owner-occupation must be strong, particularly for this Government. Its almost invisible majority is probably the owner-occupiers' best protection for now.

Letters to the Editor

Dockwork document

From the Chairman, Kent Export Association.
Sir,—We are concerned at the possible disruption of industrial relations in industries, independent ports, and container terminals that could be envisaged by the Government's consultative document on dockwork, and developments that may take place in the event of its becoming law.
We feel that workers at these independent places may be unaware of the implications contained in this document and how their future employment and ways of working can be drastically altered.
When the present day emphasis is more and more on local communication between management and work people it seems a tragedy that the Government's consultative document on dockwork, and developments that may take place in the event of its becoming law, is not being widely distributed to the independent places which we feel are in a very real sense the backbone of the port industry. It would seem highly likely there will be a great increase in demarcation disputes as to who does what and the various points outlined in the document are so vague that it is hard to see how it can be applied to the various independent places which we feel are in a very real sense the backbone of the port industry. It would seem highly likely there will be a great increase in demarcation disputes as to who does what and the various points outlined in the document are so vague that it is hard to see how it can be applied to the various independent places which we feel are in a very real sense the backbone of the port industry.

monthly increase/decrease in the supply of notes and coins put in circulation by the Bank of England. The Government should then subject itself to the discipline of demarcating Government securities in and linking income-tax thresholds to "units of account." Many other uses would arise for "units of account" as an honest money measure in output, in the pricing of contracts and making wage agreements.
Retail price index linking, to which we are becoming accustomed, give rise to a vicious spiral as money incomes follow price rises in a virtuous motion. "Units of account" would place on Government the responsibility for unwinding the spiral with the twin incentives of avoiding financial loss to the Treasury and gaining the political advantage that would come from seeing rises in output reflected in lower prices expressed in "units of account."
P. J. Ricketts,
72, Westminister Gardens,
Marble Hill, S.W.1.

Apples in the basket

From Mr. C. Koderli.
Sir,—Regarding Mr. Blakey's remarks (July 3) concerning Special Drawing Rights (SDR), I would like to correct his opinion. Indeed, it has become difficult to follow up the different baskets: that is, European Unit of Account (EUA), European Composite Unit (EUCU), European Currency Unit (ECU), and now SDR. As Mr. Blakey states the U.S. dollar is the leading currency (32.2 per cent.) in the SDR-basket. The pound sterling, however, only in third position with 8.8 per cent. The Deutschmark is holding the second place with 12.9 per cent. So it is not correct to state "the Deutschmark or the Swiss franc have relatively minor weightings." The Swiss franc is not in the basket, Switzerland not being a member of the International Monetary Fund.
Many buyers did not find "golden apples" in the market, since loans issued in Special Drawing Rights by Alusuisse, Sveriges Investeringar, Eletticité de France have been oversubscribed many times.
Christoph Thomas Kaderli,
14, Rue Calvère,
1204 Geneva,
Switzerland.

Purgatory in the piazza

From Mr. J. Davies.
Sir,—As someone who works adjacent to the Commercial Union "Piazza" in the City I take issue with the comments of one of your correspondents in the Property Survey on June 30 who eulogised the piazza's merits.
Anyone who walks across it frequently will testify that: (a) it must be one of the most efficient wind tunnels in the City; (b) it is seldom possible to see very far due to the fact that dust is blown into one's eyes; (c) when it rains, state street collectors in countless minor lakes. For the rest of the time it lies empty, lifeless and colourless—as good an example of a concrete desert as one is ever likely to see. No imagination at all has been used in making use of the space. Would it not be possible to install some wind-breaks, chairs and flowers and to permit informal commercial activities?
Please could someone in the appropriate authority show a

little imagination and bring the piazza to life—even bending a few by-laws if necessary. The success of architecture should be judged by its impact on those who use the buildings and space, not by the effect of glamourised photographs.
Jonathan Davies,
Stonhill House,
Ibington, Oxfordshire.

Maintaining moderation

From the Chairman, County Branch NUBE.
Sir,—I was interested to read the letter (July 3) from Mr. J. Orchard setting out quite forcibly his views on the decision of the National Union of Bank Employees at the delegate conference to apply for re-affiliation to the TUC, since they coincided with my own personal views on the subject when discussing it before the conference took place. Mr. Orchard's feelings are indeed recognised in the General Secretary's column in the July issue of NUBE News.
To use current trite parlance a democratic decision has been reached and it is for us as NUBE members, however opposed our own personal views may be, to accept that decision. At first sight to pay any penalty at all for re-joining a body which expelled a union from its midst for acting in accordance with the terms of the law as laid down in the Industrial Relations Act, may appear to be ridiculous and we must await learning the terms of re-entry. Nevertheless the TUC for all its shortcomings is the right body to which NUBE should belong since in my view the presence of such responsible unions as NUBE is essential in exerting a moderating influence on the big battalions.
I hope therefore Mr. Orchard will continue to remain a member of NUBE and will indeed encourage his colleagues in the Trustee Savings Bank of which I believe he is a member, to join the Union so that the longstanding tradition of moderation and responsibility within NUBE is maintained.
C. J. G. Milligan,
101, St. Martin's Lane, W.C.2.

NUBE and the TUC

From Mr. T. Burns.
Sir,—As a past president of NUBE and the man who officiated when NUBE was suspended and subsequently expelled from Congress may I reply to Mr. J. Orchard (July 3).
Without wishing to argue the merits or demerits of NUBE's expulsion I happen to believe that, while NUBE had justification for its protest against expulsion, the TUC also had some justification for its action.
In the present circumstances it is right that we, as a bona fide trade union, should apply for affiliation to the body wherein our voice, as sincere and responsible trade unionists, can be heard in the best advantage. If Mr. Orchard will take full possession of all the facts, he would realise that NUBE is not an amiable firm for a return to the fold can in hand or even in mind. If the application is granted and in terms of entry are right, NUBE will take its place, rightfully, in Congress.
At this stage it is presumptuous in the extreme to talk about payment of back fees of £40,000 and it would appear that Mr. Orchard is exercising his responsibility as a union mem-

ber from a completely isolated position and without benefit of knowledge. It is the last two factors, isolationism and lack of knowledge, by members which bedevils the trade union movement to-day and brings it into disrepute.
T. G. Burns,
63, Long Lane, West Kirby,
Wirral, Merseyside.

Uninhibited judgment

From Mr. J. Poole.
Sir,—Mr. T. Sharpe's metaphor (June 28) "blaming the meteorologist for the weather" is, I think even less intelligent than he rates Mr. Macpherson's letter. I "seriously believe" that MPs should have the knowledge and do have the power to control inflation, and I really fail to see how he can distinguish between the responsibility of Government and the responsibility of MPs. All that any Government can do is to bring forward Bills for legislation and if MPs act as rubber stamps it does not absolve them of responsibility as legislators.
The complexities of the economic situation is all too often used as an excuse for failing to see the wood for the trees. However one may argue inflation is simply an excess of spending more than is earned. The present "paper chase" was initiated by the Tory government, and it is interesting to reflect that the person most responsible was rewarded for his economic failures by an elevation to the peerage and the chairmanship of a bank.
If an MP's job is anything at all it is surely to decide on the priorities of spending the national income whether it is defence, education, aid to underdeveloped countries, social welfare, grants to students, art councils, or whatever, and if MPs decide that their own salaries and allowances take precedence over people like occasional pensioners on fixed incomes then I am afraid I cannot share their view.
Finally, I do not accept Mr. Sharpe's point about freedom from financial entrapment. I fail to see how any MP if his election is sponsored, or if he receives a retainer from pressure groups "to keep their interests in mind," or acts as a "consultant," can exercise completely unbiased and uninhibited judgment in all matters. They have themselves decided that they are employees for National Insurance purposes so they might now decide who their employers are.
J. Poole,
27, Ecclehill, 5, Durham Road, Bromley, Kent.

Spending on food

From Mrs. W. Knight.
Sir,—I wish to point out to Mr. Smith (July 2) that it is possible to have a "good, wholesome meal" for 17p per head. There are only the two of us to cater for as our financial situation does not permit us to have both children and a house. We usually spend each week, as a rule, less than the average £3.46 per head on food.
I am not an extremist wanting major social reform. I just think that Mr. Smith should be aware that the problem of his wife "overpending" on food is a problem which many of us simply cannot afford.
Wendy Knight,
132, Ladywell Road,
Brighton, Sussex.

To-day's Events

Mr. Harold Wilson, Prime Minister, addresses National Union of Mineworkers annual conference which opens at Scarborough.
TUC economic committee emergency meeting considers draft statement of TUC policy on next wage round.
Mr. Denis Healey, Chancellor of the Exchequer, meets CBI leaders for talks on wages and inflation.
Mrs. Margaret Thatcher, Leader of the Opposition, speaks on industrial relations at the Thistle Society lunch, Cafe Royal, London.
Concorde begins endurance flight testing programme.
South East Asia's Financial Markets—Present and Future, a three-day conference, organised by the Financial Times, begins in Manila, Philippines.
European Central Bankers begin two-day meeting, Basle.
Queen and Duke of Edinburgh attend Knights of the Thistle service, St. Giles Cathedral, Edinburgh.
European Historic House owners conference, organised by Historic Houses Association, opens at Merton College, Oxford.
PARLIAMENTARY BUSINESS
House of Commons: Private Members' motions until 7 p.m.; afterwards, consideration of a (untable) motion on Petroleum and Submarine Pipelines Bill; remaining stages of Child Benefit Bill.
House of Lords: Recess Elections Bill, second reading; Salmon and Freshwater Fisheries Bill, third reading; Litigants in Person (Costs and Expense) Bill, third reading; Conservation of Wild Creatures and Wild Plants Bill, third reading; Lotteries Bill, report; Social Security Pensions Bill, committee.
COMPANY RESULTS
Barclays (full year).
Carlton Industries (full year).
Latham (James) (full year).
Stock Conversion and Investment Trust (full year).
Alexanders Discount (half year).
CORPORATE MEETINGS
See Week's Financial Diary on page 9.

All of these bonds having been sold, this announcement appears as a matter of record only.

CRÉDIT FONCIER DE FRANCE

FF 125,000,000

10 1/4 % 1975-1982 Bonds

unconditionally guaranteed by THE FRENCH REPUBLIC

This issue has been managed and underwritten by

CRÉDIT LYONNAIS	BANQUE DE PARIS ET DES PAYS-BAS
BANQUE NATIONALE DE PARIS	LAZARD FRÈRES ET CIE
BANCO DI ROMA	BANQUE DE BRUXELLES S.A.
CITICORP INTERNATIONAL BANK LIMITED	COMMERZBANK Aktiengesellschaft
FONDO DE INVERSIONES DE VENEZUELA	KREDITBANK S.A. LUXEMBOURGEOISE
SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.	UNION BANK OF SWITZERLAND (UNDERWRITERS) LIMITED

These bonds have been placed, among others, by:

A.E. ANES & CO. LIMITED	AMSTERDAM-ROTTERDAM BANK N.V.	BANK GUTZWILLER, KURZ, RÜNGER (OVERSEAS) LIMITED
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)	CAISSE CENTRALE DES BANQUES POPULAIRES	BANQUE DU BENELUX S.A.
BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL	CREDIT GENERAL S.A. DE BANQUE	BANQUE FRANÇAISE DU COMMERCE EXTERIEUR
BANQUE FRANÇAISE DE DEPOTS ET DE TITRES «B.F.D.T.»	CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE	BANQUE GENERALE DU LUXEMBOURG S.A.
BANQUE DE L'INDOCHINE	CREDIT SUISSE WHITE WELD LIMITED	BANQUE LAMBERT-LUXEMBOURG S.A.
BANQUE LAMBERT S.C.S.	DEUTSCHE BANK AKTIENGESELLSCHAFT	BANQUE DE PARIS ET DES PAYS-BAS BELGIQUE
BANQUE DE PARIS ET DES PAYS-BAS POUR LE GRAND-DUCHÉ DE LUXEMBOURG	DRESDNER BANK AKTIENGESELLSCHAFT	BANQUE DE PARIS ET DES PAYS-BAS BELGIQUE
BANQUE DE SUÈDE ET DE L'UNION DES MINES	EUROPEAN BANKING COMPANY LIMITED	BANQUE DE L'UNION EUROPEENNE
H. ALBERT DE BARY & CO. N.V.	FINACOR	CAISSE DES DEPOTS ET DE CONSIGNATIONS
MANUFACTURES HANOVER LIMITED	GUYOTZELLER ZURMONT BANK AG	CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
NOMURA EUROPE N.V.	INTERNATIONAL MARINE BANKING CO. LTD	CREDIT SUISSE
SINGER & FRIEDLANDER	INTERUNION-BANQUE	CREDIT SUISSE
SOCIÉTÉ LYONNAISE DE DEPOTS ET DE CRÉDIT INDUSTRIEL	NESSITT, THOMSON LIMITED	CREDIT SUISSE
SWISS BANK CORPORATION (OVERSEAS) LIMITED	NORDDEUTSCHE LANDESBANK GÜROZENTRALE	CREDIT SUISSE
VEREINS-UND WESTBANK AKTIENGESELLSCHAFT	SMITH, BARNEY & CO. INCORPORATED	CREDIT SUISSE
WHITE, WELD & CO. INCORPORATED	SOCIÉTÉ GÉNÉRALE ALACIENNE DE BANQUE	CREDIT SUISSE
	UNION DE BANQUES ARABES ET EUROPEENNES - U.B.A.E.	CREDIT SUISSE
	WESTDEUTSCHE LANDESBANK GÜROZENTRALE	CREDIT SUISSE
	WILLIAMS, GUYOT & CO.	CREDIT SUISSE
	WOOD GUNDTY LIMITED	CREDIT SUISSE

COMPANY NEWS + COMMENT

Coalite can surmount normal problems

AFTER A year of record results in every field the directors of Coalite and Chemical Products feel that the underlying financial strength and physical capacity should be able to overcome any normal difficulty, chairman Mr. Francis Waring says in his annual statement.

The return on sales of oils and chemicals substantially improved in the year ended March 31, 1975, as a result of home prices being allowed to reach more realistic levels and the company being in a position to capitalise on the higher export prices available on chemicals produced in excess of home requirements.

Consequently oils and chemicals made a substantial contribution to overall profits enabling the company to maintain increases in the price of Coalite within competitive bounds.

Mr. Waring says Coalite continues to be the most popular all-purpose domestic solid smokeless fuel. With gas being a competitor, it is disappointing that there is "continued reluctance to price gas realistically relative to other domestic fuels."

In most of the outlets for oils and chemicals, the strong demand continued until the early part of 1975. Even now the company's position is reasonably favourable although the exceptional prices resulting from the export boom have been reduced materially.

After the disappointment that the completion of the expansion of Oritho Phenyl Phenol manufacturing capacity should have coincided with the recession in textiles, the directors are exploring the possibilities of exploiting the company's special manufacturing know-how in this field.

As a result of detailed investigation of potential future demand and raw material availability the Board has decided to embark on a major scheme of expansion in intermediates for manufacture of herbicides.

This will double production capacity of the principal intermediate while substantially increasing that of others. Commissioning is expected in the second quarter of 1976, he says.

Coalite is to take up rights in the issue by Siebens Oil and Gas (U.K.) at a cost of £371,511. Its percentage holding will be reduced from 8.2% to 6.8%.

As reported on May 31, group profit for 1974-75 was £9.6m. (£2.84m.) and the dividend is 0.82p (0.564p).

A statement of inflation accounting shows a profit on a CPP basis of £7.63m. and a net figure 48 per cent. lower at £5.62m. The most significant feature is that the effective tax rate is some 66 per cent. and the depreciation charge is 70 per cent. higher.

This, says Mr. Waring, emphasises the necessity of expanding the company's capacity to provide high profits in order to ensure adequate finance for future operations and to maintain the value of shareholders' equity in real terms.

Mr. Waring is giving up the chairmanship on September 30, and will be succeeded by Lord Ward.

Meeting, Dorchester Hotel, Park Lane, W., July 30 at 11.45 a.m.

● **comment**

There are no earnings forecasts from Coalite and Chemical but

HIGHLIGHTS

The summer lull is now having its traditional impact on the flow of company statements, and apart from an interim on Thursday from Imperial Group the market has very little to get its teeth into this week. Carlton Industries puts out a preliminary to-day, and Southern-Edwards and Associated Newspapers follow suit to-morrow and Wednesday respectively. As for the week-end postbag, there are full accounts from Coalite and Chemical and Powell Duffryn.

The balance sheet has plenty to raise from 0.822p to a maximum of 0.873p net. The statement of source and application of funds shows a decrease in cash of £68,493 and a net cash balance at the end of the year of £708,371.

Mr. Kenny explains that the principal changes result from the purchase of United. In addition £190,000 was spent to expand factories and new plant purchased at a cost of £88,000. By reason of inflation, there was an increase in debtors and stocks. Holders are invited to approve a share option scheme for senior executives. The number of shares to be dealt with is 361,429 which is approximately 3.1 per cent. of the present issued capital.

Colonial Securities Trust Company held 13.43 per cent. of the capital at June 14, 1975. Meeting, Howard Hotel, W.C., on July 30 at 12.30 p.m.

● **comment**

In excess of £1m. will be spread over the next two years by envelope manufacturers, etc. Chairman Mr. P. G. Walker.

The bulk of this will be spent on improvement to office and working environments and the provision of improved warehousing, but the modernisation of manufacturing plant will continue to take priority.

Pre-tax profit for the year to March 31, 1975, reported June 10, jumped from £760,000 to £1.2m. and the dividend is lifted from 3.33p to 3.61p net. A breakdown of profit shows: envelope manufacturing £668,418; paper manufacturing £263,418; envelope making machinery £15,590.

High level of demand was maintained throughout the year and all factories were working at full capacity with increased shifts being operated in some departments. Some of the results of the investment programme became apparent during this time, says Mr. Walker.

On prospects he says it is possible to detect a general reduction in business activity throughout the country but the swing from chronic shortage of raw materials through full cycle to a position of competitive surplus should in itself ensure that trading conditions in the company's particular business will now settle to a level

of confidence.

Mr. T. KENNY, chairman of Tobenoil, tells members in his annual statement that it is not unreasonable to expect that profit for the current year will again show an increase.

He says the group started the year with outstanding orders of some £2m., the same level as a year ago. A sizeable part of sales are to overseas countries and the directors aim to expand this proportion.

A record pre-tax profit of £61,928 (£54,714) was reported for the year to March 31, 1975, on June 13, together with a one-for-ten scrip issue. The dividend is

enabling its delivery positions to be measured in weeks instead of months.

Meeting, Great Eastern Hotel, E.C., July 31, noon.

Plantation conserving resources

THE LONG-TERM objective of Plantation Holdings remains one of expansion, reports the chairman, Mr. S. W. Liversy, but since mid-1974, management effort has been concentrated on the control and conservation of cash.

Last year it was indicated that the world economic climate made it difficult to forecast. This year the problems of prediction are again uncertain, but the group will do its utmost "to meet whatever contingencies arise and produce a satisfactory result."

As reported on May 23 taxable profits rose from £2,050m. to £2,770m. in 1974 and the dividend is 1.8354p (1.50735p) net. Exports from the U.K. totalled £3.52m., split as to Europe excluding Scandinavia £1.92m. Scandinavia £0.55m., North America £0.33m., other areas £0.65m.

An important change to the balance sheet has been made this year. It has been decided to express all overseas fixed assets, predominantly the estates in Malaysia, at exchange rates ruling on December 31 each year, bringing the treatment of fixed assets into line with that used for current assets. This adjustment has resulted in a net surplus of £1,455,000, which has been transferred to a currency reserve.

—future annual exchange fluctuations will be debited or credited to the reserve, as will other appropriate items.

Various minor investments in unquoted companies have been liquidated and at the year end, there were no investments of material consequence.

As at June 30, Hutchinson Intl. Hong Kong held some 25.66 per cent., and Pahang Consolidated some 26.08 per cent. of the capital. Meeting, Abercorn Rooms, E.C., on July 31, at noon.

● **comment**

Apart from minor fluctuations in the share price, the market has remained largely indifferent to Plantation Holdings since the preliminary statement in May. The latest report shows some fairly promising trends over 1974: short-term borrowings were up almost 50 per cent. in line with a 50.00 increase in stocks and a £1.32m. increase in the purchase of assets. Only the proceeds of the rights issue (£3.8m.) prevented a net outflow of funds in 1974 similar in proportion to that of 1973. However, over six months have elapsed since the end of the financial year and the group has moved into a net cash balance since then; stocks have remained static in cash terms but have fallen in physical terms while roughly 15-20 per cent. of the work force has been laid off in order to preserve a solid financial position. The trading front, however, remains far from happy. Commodity prices, both in the case of rubber and palm oil, have slipped from last year's satisfactory to finance a 35 per cent. advance in turnover, coupled with capital expenditure of £1.8m. and he is confident that existing resources are adequate to finance further expansion this year.

As Mr. Burnett will have reached retiring age before next year's AGM he intends to resign as chairman during this year.

Meeting, Sheffield, July 24, noon.

● **comment**

Mr. Doncaster's letter accompanying the formal offer document, which makes the point that the terms are worth 124 per cent. more than the share price on June 20, which was the last business day before the bid.

Commenting on current trading in his annual statement with the report and accounts, also just dispatched to shareholders, Mr. Doncaster says the first two months of the present year have

been very good and that the Board sees continued activity for the months ahead.

As reported, pre-tax profit for the year to March 31, 1975, increased from £889,723 to a record £1,097,707 and the net dividend total is lifted to 2.6738p (2.4633p).

Mr. Burnett points out that this is profit improvement over the last two years of nearly 100 per cent. He adds that the year's achievement is fairly reflected by the growth in both asset value per share 115p—up 30.7 per cent.—and earnings 13.28p—up 28.5 per cent.

Dividend analysis:

Profit 1974 1975

Civil engineering, etc. 752,337 894,942

Earthmoving 124,497 134,103

Oil storage and distribution 58,871 108,157

Parcel & other interests 168,583 126,471

On liquidity, the chairman reports that resources have proven satisfactory to finance a 35 per cent. advance in turnover, coupled with capital expenditure of £1.8m. and he is confident that existing resources are adequate to finance further expansion this year.

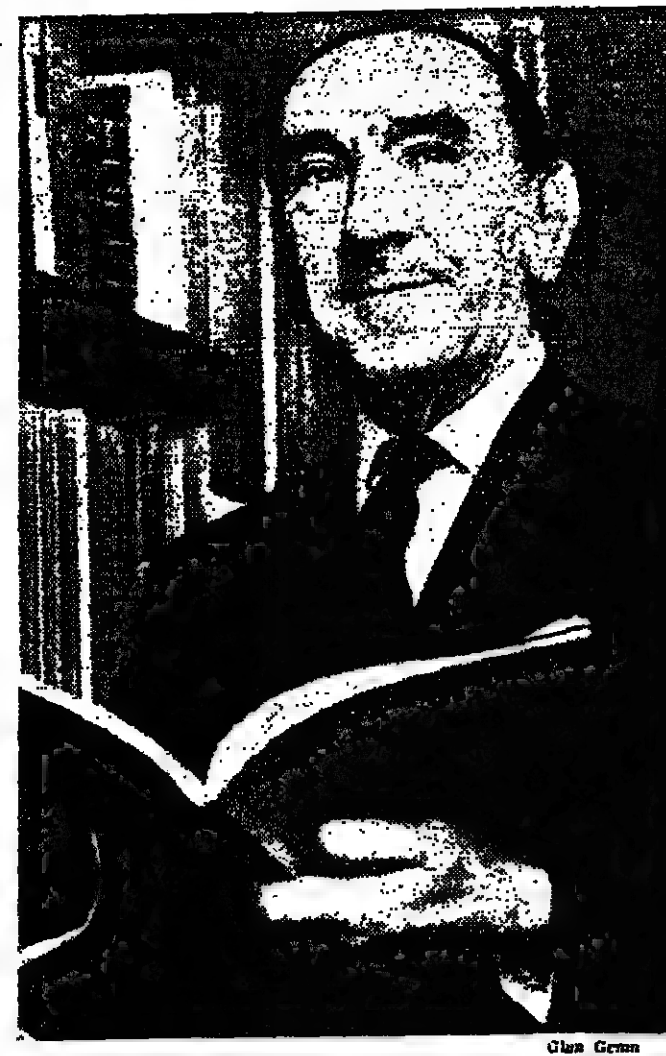
As Mr. Burnett will have reached retiring age before next year's AGM he intends to resign as chairman during this year.

Meeting, Sheffield, July 24, noon.

● **comment**

Mr. Doncaster's letter accompanying the formal offer document, which makes the point that the terms are worth 124 per cent. more than the share price on June 20, which was the last business day before the bid.

Commenting on current trading in his annual statement with the report and accounts, also just dispatched to shareholders, Mr. Doncaster says the first two months of the present year have



Mr. Robert Clark, chairman of Stock Conversion and Investment Trust, which is due to announce to-day its preliminary results for the year to March 31, 1975.

DIVIDENDS ANNOUNCED				
	Current payment	Date of payment	Corr. of year	Total
Eldridge, Pope	2.28	Aug. 1	1.0	1.59
Sterling Credit	1.00			1.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Burnett well ahead and confident

TRADING results of the Burnett and Holdings group so far this year are well ahead of the same previous year period, and chairman Mr. A. G. Burnett says that, with the diversity of group interests, he is confident of a maintained satisfactory rate of progress.

As reported, pre-tax profit for the year to March 31, 1975, increased from £889,723 to a record £1,097,707 and the net dividend total is lifted to 2.6738p (2.4633p).

Mr. Burnett points out that this is profit improvement over the last two years of nearly 100 per cent. He adds that the year's achievement is fairly reflected by the growth in both asset value per share 115p—up 30.7 per cent.—and earnings 13.28p—up 28.5 per cent.

Dividend analysis:

Profit 1974 1975

Civil engineering, etc. 752,337 894,942

Earthmoving 124,497 134,103

Oil storage and distribution 58,871 108,157

Parcel & other interests 168,583 126,471

On liquidity, the chairman reports that resources have proven satisfactory to finance a 35 per cent. advance in turnover, coupled with capital expenditure of £1.8m. and he is confident that existing resources are adequate to finance further expansion this year.

As Mr. Burnett will have reached retiring age before next year's AGM he intends to resign as chairman during this year.

Meeting, Sheffield, July 24, noon.

● **comment**

Mr. Doncaster's letter accompanying the formal offer document, which makes the point that the terms are worth 124 per cent. more than the share price on June 20, which was the last business day before the bid.

Commenting on current trading in his annual statement with the report and accounts, also just dispatched to shareholders, Mr. Doncaster says the first two months of the present year have

been very good and that the Board sees continued activity for the months ahead.

As reported, pre-tax profit for the year to March 31, 1975, increased from £889,723 to a record £1,097,707 and the net dividend total is lifted to 2.6738p (2.4633p).

Mr. Burnett points out that this is profit improvement over the last two years of nearly 100 per cent. He adds that the year's achievement is fairly reflected by the growth in both asset value per share 115p—up 30.7 per cent.—and earnings 13.28p—up 28.5 per cent.

Dividend analysis:

Profit 1974 1975

Civil engineering, etc. 752,337 894,942

Earthmoving 124,497 134,103

Oil storage and distribution 58,871 108,157

Parcel & other interests 168,583 126,471

On liquidity, the chairman reports that resources have proven satisfactory to finance a 35 per cent. advance in turnover, coupled with capital expenditure of £1.8m. and he is confident that existing resources are adequate to finance further expansion this year.

As Mr. Burnett will have reached retiring age before next year's AGM he intends to resign as chairman during this year.

Meeting, Sheffield, July 24, noon.

Financial strength a Powell Duffryn

WITH NET cash availability of £1.8m. at March 31, 1975, Powell Duffryn is in a position of "considerable strength," at this time, says the chairman Sir Alec Ogilvie.

Because of inflation an additional £5.7m. cash was required for working capital in 1974-75; capital expenditure, net of sales, absorbed a further £8.1m. and long-term loan repayments amounted to £0.4m.

However, with the improved profits and £2.5m. cash on stocks, cash resources diminished by only £1.4m.

At present, total group assets (excluding cash) are £18m. and overall borrowings are down to £2m. In money terms this is an increase of some £33m. in the size of the group over the past four years, of which £6m. has been financed from the sale of the City headquarters and the remainder mainly from profits and depreciation.

Sir Alec describes this as a "good picture" but stresses the important part that inflation plays in blurring the results.

An inflation accounting statement shows actual pre-tax profit for 1974-75 of £11.8m. and £7.34m. on the CPP basis; assets employed £71.04m. and £55.63m.; return on average net assets 17.7 per cent. and 9.8 per cent.; earnings before extraordinary items 21.5p and 5.3p. and after such items 23.1p and 5.3p.

On prospects for the current year Sir Alec says he remains hopeful, but emphasises that it will require a significant up-turn in some activities if last year's record profit is to be matched in the conditions which are likely to persist in the coming months.

Less firm freight markets and rapidly escalating costs are affecting the shipping interests, and the construction industry shows little sign of emerging from its recession. Other parts of the group should have a better year.

As stated on June 26, the 1974-75 profit compared with £10.82m. previously, and the dividend is 6.53p (5p) per share. £2.9m. provision has been made against reserves for the amount profit rose from £10.82m. to £13.72m. in the year to March 1975. The Board have taken steps to find the way back to improved profitability.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

As reported on June 17, tax on margins is severe and only improvement in general economic conditions will alleviate the problem.

Daniel Doncaster & Sons Limited

Extracts from the Annual Report

Record profits for the year ended 31 March, 1975 due to continued development and high level of activity throughout the year. All companies have made profits in excess of last year.

Increasing success in export markets.

Capital spent in the last three years £2,500,000 will enable company to take advantages of future opportunities.

Dividend increased to 2.5533p per share net—maximum permitted.

First two months results have been very good. Continue to be busy in most activities.

	1975	1974
TURNOVER	33,250,000	20,610,000
Profit before taxation	2,737,000	798,000
Dividends	276,000	254,000
Per share net	2.5533p	2.3469p
RETAINED PROFITS	1,106,000	538,000

Directors have recommended the conditional offer of 101p per share in cash, received from International Nickel Limited, for the whole of the issued share capital of the company.

Doncasters will continue to operate as a separate entity and under existing names and management.

Doncasters and International Nickel Limited's subsidiary Henry Wiggin & Company Limited, have had long standing and complementary relationships.

Daniel Doncaster & Sons Limited, Sheffield

Subsidiary companies:
Doncasters Sheffield Limited
Doncasters Monk Bridge Limited
Doncasters Moorside Limited
Doncasters Blaenavon Limited
John Brereton & Company Limited
Hingley Rings Limited
Whittingham & Porter Limited
Associated Company:
Donhad Forgings Pty Limited,
Perth, Western Australia.

TOBENOIL GROUP

Manufacturers of automatic packaging, wrapping, labelling and bottle-filling machines.

Pre-tax profits up 20%

Mr. Thomas Kenny, Chairman, reports another record profit, continuing a trend begun more than 10 years ago. The following are salient points from his statement:

* Bonus issue of one new share for every ten held proposed.

* Purdy Machinery Company Limited now in process of moving to Ashford, Kent, and being combined under one management with Unified Industries Limited on one site, trading under the Purdy name.

* The Group has cash resources of £700,000 after paying for Purdy Machinery Company; the purchase of Unified Industries; and spending £250,000 on expansion of two factories and the installation of new plant.

* Current year opened with orders at similar level to last year. Over a third of sales are to overseas countries and we aim to increase this proportion.

* It is not unreasonable to expect that profits for the year to 31st March 1976 will show a further increase.

Results for the year ended 31st March 1975:

Pre-tax profit 651,902 542,714
Profit after tax 304,830 271,814
Earnings per share
Before tax 5.54p 4.65p
After tax 2.59p 2.33p

Copies of the Annual Report may be obtained from the Secretary
Tobenol Limited, 23 Bedford Row, London WC1R 4EB

John Beales Associated Companies Limited

The 27th Annual General Meeting of the Company was held on 4th July 1975 in Nottingham. The following points were made by the Chairman Mr. G. R. Hemick, in his Statement:

Extracts from Chairman's Statement — A disappointing result in a year of difficulties and problems of inflation, when despite an 18% increase in turnover to £9,500,000, pre-tax profits fell to £240,000. There was a marked change in the pattern of despatches during the last four months of the year, and Stocks of finished goods increased substantially. Margins were under considerable pressure, whilst costs increased, e.g. Payroll from £2,000,000 to £2,500,000, mainly since 1st January 1975. Since the close of the Financial Year despatches of finished goods have increased, and Stocks have been reduced. These Stocks had been valued with the utmost prudence at 18th March 1975. The Board have taken steps to find the way back to improved profitability.

10 years record

Turnover

Pre-tax Profits

1986 £3,388,000 £286,000

1

FINANCIAL TIMES SURVEY

Monday July 7 1975

PORTUGAL

With the first glow of revolutionary triumph fading fast, Portugal's new leaders have come up sharply against the harsh realities of government. Their task—which is nothing less than the conversion of Portugal into a modern State—carries with it a formidable degree of urgency.

Time running short

By IAN DAVIDSON, European Editor

PORTUGAL'S experience is months before the coup, and the programme drafted by Major Melo Antunes (now Foreign Minister) was not submitted to the political committee of the Armed Forces Movement until April 24, and it was not finalised until the small hours of April 26.

Small wonder, then, that the Armed Forces Movement took power with seriously divergent views, or that these divergencies are still apparent in the internal contradictions inherent in the arrangements that they have made since April 25 last year. It is even less surprising that in the process of trying to deal with the consequences of their revolution, and learning, as it were, on the job some of the real problems of revolutionary change, some of the leaders of the coup should have changed their minds. Whereas Melo Antunes first appeared as a left-winger, he is now widely regarded not merely as a moderate, but also as one of the shrewdest members of the military elite. When Vasco Gonçalves (now Prime Minister) first emerged, he was thought to be a moderate; now he is regarded not merely as a firm ally of the Communist Party, but also somewhat unstable—which is not to suggest that Communists are unstable.

To-day, 14 months after the April 25 coup, there may be a slightly more informed consensus among the leaders of the Armed Forces Movement of the viable parameters of the revolution, or at least a greater awareness that some of the coming sub-revolutions which have spontaneously erupted in intervening months militate against any kind of coherent government. But there is still very little evidence that the military have developed ideas or institutions which can deal with Portugal's social, political and economic problems.

The problem is that the motor power for the coup came primarily from professional resentment among army officers at the decline in the prestige of the military, rather than from a coherent alternative political philosophy. For long time, indeed, the left-wing navy officers stood aside from army plottings, because of a lack of political thrust. The question of what the revolution is supposed to achieve apart from the overthrow of the regime, only started being debated in a systematic way in the armed forces five

Idealists

The corollary of the political innocence of the authors of the coup is that the revolution started out with, and to an astonishing degree still maintains, an atmosphere of idealism and earnest well-meaning. Inevitably, the

Armed Forces Movement has been followed by the inclusion of a quota of straight-crumbling of virtually all forward opportunists, the more traditional structures of authority and control, and that while played by considerations of the Armed Forces Movement is professional status in launching the nearest thing to a government in Portugal. It has so far made little attempt to place any

struggle between the divergent effective curbs on the factions in the Supreme Revolutionary Council, and the steady deterioration of the economic situation is bound to make this power struggle more intense. But the collective impression of the military leadership so far, as conditioned by the partial democracy which operates inside the Armed Forces Movement, is of naive and inexperienced idealists, groping for some kind of socialism as if they had invented the word, but not of blood-red revolutionaries. The coup was carried out, and the revolution has stumbled on, with far less political bloodshed than is current in Spain or Italy, to say nothing of Northern Ireland.

One reason for the lack of political violence may lie in the natural peacefulness of the national character, as many Portuguese claim to believe. Another may be that the overthrow of the previous regime has been followed by the inclusion of a quota of straight-crumbling of virtually all forward opportunists, the more traditional structures of authority and control, and that while played by considerations of the Armed Forces Movement is professional status in launching the nearest thing to a government in Portugal. It has so far made little attempt to place any

But it is abundantly clear that the Portuguese economic situation is grim and is getting grimmer every day. Inflation is as high as in the U.K. Companies are faced with a critical cash squeeze, partly because of increased wages, partly because of depressed demand in domestic as well as export markets, but even more because

of revolutionary disruption to both management and production.

In an attempt to counter the sharp deterioration in the trade deficit, the Government has imposed import surcharges which affect about half the country's imports, and while this may help to reverse the trend, it will inevitably increase manufacturing costs at a time when manufacturing industry's competitive position is already precarious. Traditionally, the trade deficit has been covered by invisible receipts, from tourism and remittances. But in the past year the tourists have evidently been scared off by exaggerated reports of revolutionary violence, and the emigrant workers have reacted in the same way, with rather more rational justification. As a result unemployment has soared and is likely to go on rising for the rest of this year, not least because of the danger of bankruptcy facing companies in the manufacturing sector. It will certainly rise with the repatriation and demobilisation of troops from Mozambique now and Angola later this year; and unless there is a sharp improve-

ments in the security situation in Angola, there may well be a massive reflux of settlers. No doubt all these problems are soluble in time but time is not on Portugal's side. In their determination to shift the country several notches left-

wards, the leaders of the revolution have precipitated an exodus among the bourgeois elite. No doubt doctors, engineers, managers can be replaced, but not overnight. Some of the workers who have been precipitated into positions of power are trying to take sensible, methodical decisions, and a few of them are intellectually equipped for their new responsibilities. But whatever the arguments for or against workers' control, nationalisation, and the restructuring of the economy, the price of rapid and ill-prepared action on all fronts simultaneously is likely to be more confusion than socialism. The confusion has been intensified by the mutual intoxication of revolutionary fervour in the early months after the coup, and while this fervour is now waning in the face of day-to-day realities, its consequences are only too obvious.

Perhaps the most disturbing aspect is that too many of the revolutionaries have an imperfect grasp of the economic mechanisms which they are attempting to change, and that too many of them believe that Portugal's economic troubles are not the fault of the Portuguese but of a malicious political boycott by foreign customers and suppliers.

The weakness of the revolution, and its great strength, is that the Armed Forces Movement has, so far, consistently endorsed its support for a pluralistic democratic system, despite the pressure of factions within the movement for more authoritarian forms of government. It is a weakness, because there is an ineluctable, and possibly fatal, contradiction between military rule and democracy: yet the Armed Forces Movement continues to assert both its ultimate authority in the political structure of the country for at least the next three years, and the development of a civilian system based on competing political parties and free elections. It is a strength, because the first elections (to the Constituent Assembly) have already demonstrated, through the high turnout, massive popular support for a civilian pluralistic system, and through the distribution of votes, that while a large majority of the Portuguese may be happy to vote for left-wing parties, only a very small minority supports the Communists or the parties further left.

The key question facing Portugal to-day is, which of these two models—the military/authoritarian and the demo-

cratic—will prove more resilient in the face of economic disintegration. In principle, general elections to a fully fledged parliament are not scheduled to be held until the end of the year, after the drafting of a constitution. But on the basis of the Constituent Assembly elections, Dr. Mario Soares could reasonably claim to be in a position to form a coalition government with his own Socialists and the Popular Democrats, who together secured 63 per cent. of the vote.

Free debate

The Armed Forces Movement, for its part, is almost inevitably hobbled in facing up to the pressing problems of government by its laudable determination to maintain democratic processes within its own ranks. The option of asserting more authoritarian rule, which is favoured by some in the Supreme Revolutionary Council, can only be achieved by suppressing or at least severely curbing civil and military democracy. But it remains open to question whether, after the release of free political debate within the services, the authoritarian option is really viable except through a new, and quite possibly bloody coup led by a centurion-figure. What the armed forces must know only too clearly, is that the prestige so gloriously won by the overthrow of the Caetano regime is fast being eroded by their failure to arrest the deterioration in the economy, and that the time remaining for this particular phase of the Portuguese revolution is running out.

A warm invitation to do business with Portugal

In Portugal we have first class products to sell you and we are eagerly waiting for you to come and do business with us.

Whatever your field.

—Heavy or light metal goods.
Shipbuilding and repairing.
Cork. Wines. Design.
Pottery, China and glass.
Fashions and footwear.
For any and all of these
we await you
in Portugal.

For further information,
please contact.



FUNDO DE FOMENTO DE EXPORTAÇÃO

Avenida 5 de Outubro, 101 - Lisbon, 1 - Portugal
Phones 767410 - 767520 - 767573

PORTUGAL II

Who's who: military...



Gen. Francisco da Costa Gomes

Gen. Francisco da Costa Gomes

President of Portugal and member of the Supreme Revolutionary Council.

After a distinction in maths at Oporto University he entered the army and served as cavalry officer in Portugal and later in Macau, Mozambique. Promoted to General while second-in-command Portuguese forces in Mozambique where he played a leading role fighting Frelimo's liberation army. As Army Chief of Staff under Caetano, he joined Spínola in refusing to swear the oath of

allegiance to the Premier in March, 1974. Both were then sacked. The original candidate of the Armed Forces Movement for the post-April 25 presidency, he agreed with MFA officers that Spínola should be appointed since in the eyes of the people Spínola held more authority. Nicknamed "The Cork" for his ability to weather successive storms since taking the presidency in September 1974, the President is regarded as a conciliator among the various factions of the MFA, an astute politician rather than a military strong man though as President he is also Commander-in-Chief of the armed forces.

"Our revolution aims for pluralistic socialism through the fertile cross-breeding of revolution and elections."

General Vasco Goncalves

Prime Minister and member of the Supreme Revolutionary Council.

An army engineer, General Goncalves avoided the messier side of the colonial wars though he served in Goa, Mozambique and Angola. An intellectual, he is often considered "the father of the revolution" for his long time interest in and study of politics and Marxism. Active in opposition to the Fascist regime from within the military

ranks, he took part in the 1961 abortive military uprising in Beja. His close links with the Portuguese Communist Party date back to such anti-fascist opposition. Appointed Prime Minister after the fall of the Palma Carlos first provisional Government, he has a reputation for fiery public speaking and fiercer irritation in Cabinet. An intense and uncompromising ideologue he is impatient with those who stand in the path of the revolution. However, his political beliefs are to-day blended with realism, or at least co-exist alongside realism.

"We are not a Trojan horse in NATO. In Portugal we must choose between revolution and reaction."



General Vasco Goncalves

General Carlos Fabiao

Member of the Supreme Revolutionary Council.

Spent over ten years of his army career in Guinea Bissau where he became a close friend of ex-General Spínola. A late comer to the ranks of the Armed Forces Movement, to the surprise of MFA officers in Guinea Bissau he was nominated governor there after the revolution. However, under the influence of young MFA officers in Bissau he led the decolonisation process and began withdrawing

troops in direct disobedience of Spínola's orders in 1973. Having thus earned his honorary credentials he returned to Portugal in October and made Army Chief of Staff. Many other former Spínola officers he broke with General and followed the wards swing in the MFA, a radical not a Marxist, a shy man, without apparent interest in politics, he is a lower rather than a leader, but as Army Chief of Staff clearly is an important part of any equation. As above all he is intent on reining the armed forces into effective and disciplined units. "Democracy must not be joined with anarchy."

Rear Admiral Jose Baptista Pinheiro de Azevedo

Vice-President, member of the Supreme Revolutionary Council. Born in Luanda, he entered the Navy, was assistant naval attache in London from 1963-71 and Marines commander from 1972-74. An original member of the first post-April 25 Junta of National Salvation he is also Naval Chief of Staff.

A radical, but not allied to any particular party he reinforces the camp of the older generation within the MFA. His friendly relations with Western NATO officers have been the reason for much travelling abroad to reassure NATO countries recently.

"NATO's nuclear planning group will continue to meet without Portuguese participation. We understand the reasons given us for this decision a year ago and we are not going to create difficulties about this delicate problem. I believe our position is correct."

Captain Vasco Lourenco

Member and spokesman of the Supreme Revolutionary Council. Captain of Rangers in Guinea Bissau where he quarrelled with Spínola. Regarded as founder of Armed Forces Movement. His links with anti-fascist resistance and with the birth of the captains' movement were discovered and Caetano ordered him overseas after he took part in the March 1974 abortive Caldas da Rainha military coup. On his way to the Azores he spent some time in the Cape Verde political prison of Trafaria. His reputation among fellow officers is as a straight down the line MFA man, without allegiances to any political party, and his opinion is respected when problems with the politicians arise. He has spoken out against Socialists and Com-



Captain Vasco Lourenco

munists and denied the MFA was carrying out the PCP programme, although many policies do coincide. "If it became necessary to put away the red carnations and return to arms we would."

General Otelo Saraiva de Carvalho

Member of the Supreme Revolutionary Council.

Born of an acting family in Mozambique, his army career included service in the Psychological Action Unit in Guinea Bissau under Spínola. Commanded the April 25th military coup, and subsequently appointed deputy-commander under the President of COPCON security forces in Portugal. An ebullient mischievous man, with a flair for outrageous statements, his short stocky frame exudes command. Firmly disdainful of the politicians, he leads the anti-party faction inside the Armed Forces Movement. Recently influenced by the Revolutionary Proletarian Party-Revolutionary Brigades, an extreme leftist group calling for armed militias to defend the revolution and a mass move-



Gen. Saraiva de Carvalho

ment bypassing the old political parties. "We can call ourselves people's representatives and the end of the day build a people's democracy in which power is assumed by the forces, representing the people in arms."



Major Melo Antunes

Major Melo Antunes

Member of Supreme Revolutionary Council.

An intellectual and long time man of the Left with probably the clearest and best defined ideas of where Portugal should be pointed to achieve its socialist revolution. The architect of decolonisation, Major Antunes was at once respected by the liberation movement and was chief negotiator on the Portuguese side as a Minister without Portfolio in charge of decolonisation in the second and third provisional governments. Foreign Minister in the fourth coalition, after the March 11 coup, he was brought back onto the Supreme Revolutionary Council, as a member of the original MFA co-ordinating committee, after Communist officers had tried to exclude him. In addition to carrying out decolonisation, Major Antunes was charged with drawing up the country's three-year economic and social reform programme, a life. The "Red Admiral" as Governor of Angola until last January earned wide unpopularity among Angolan whites for the plan, including speeding up of nationalisations, after the March 11 coup, most of the plan against his former captors still stands.

"We cannot escape our historic responsibility in Africa. Portugal must guarantee the Angola independence agreement and do everything in her power to make it work. Once we are no longer a colonial power we have a special mission to establish solidarity with the Third World."

Admiral Vitor Crespo

Member of Supreme Revolutionary Council.

Distinguished naval career and respected senior officer, sent to Mozambique as governor until June 25 independence. A member of the original co-ordinating committee he was angry at his and other original members' exclusion from the Supreme Revolutionary Council after the March 11 coup. He succeeded in bringing back Major Vitor Alves and Major Melo Antunes with him into the SRC ranks. Recently appointed member of the SRC Political Commission of Four, confirming his position of strength within the MFA.

"Our revolution intends to be a revolution of ideas and of our way of life. We are not forcing people. In the Armed



Admiral Vitor Crespo

Forces Movement we are accepting the people's suggestions—going ahead with the people because we need to be part of the people."

Lieutenant Ramiro Correia

Member of the Supreme Revolutionary Council.

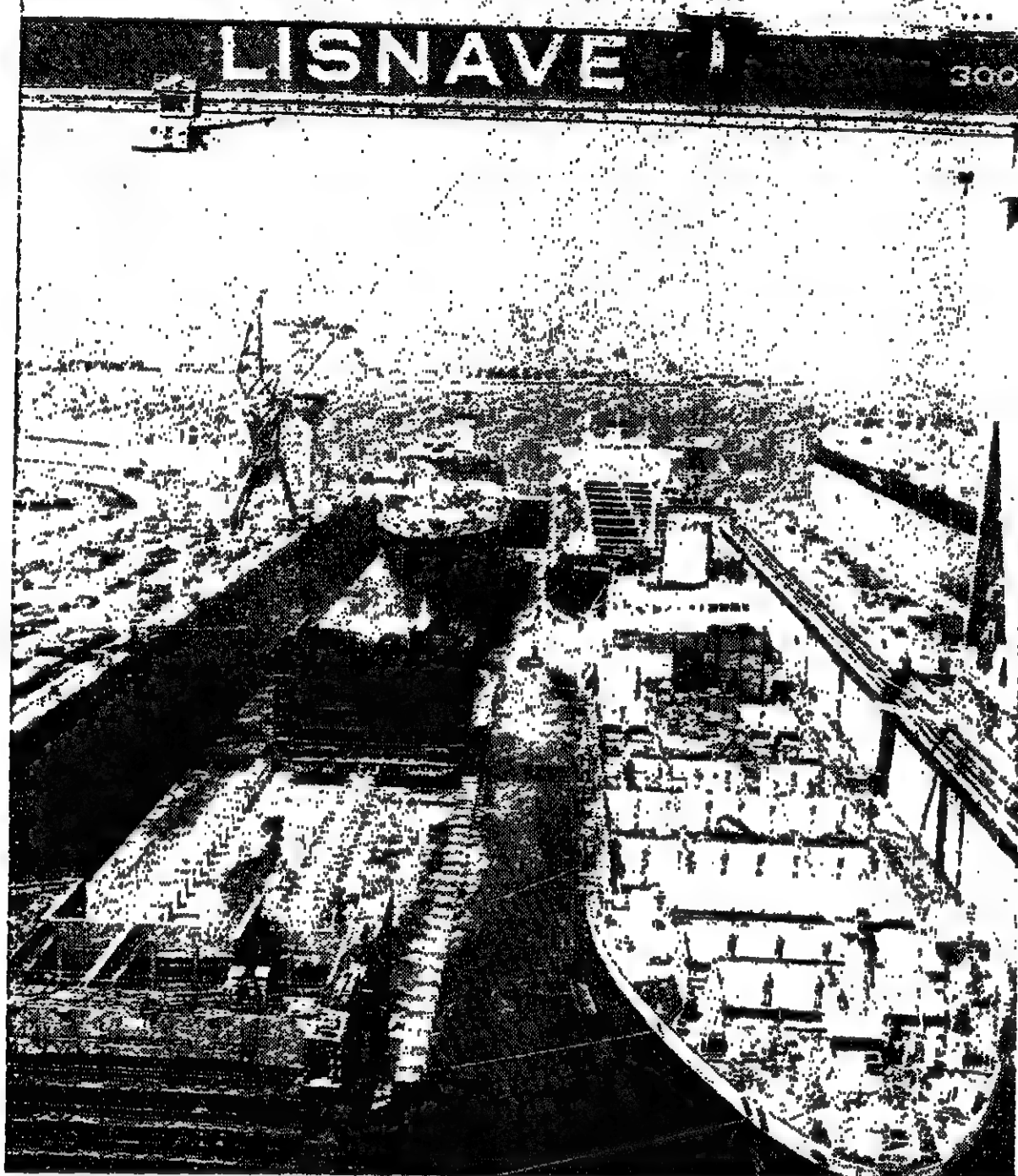
A young naval officer of Marxist Left, he rose to fame as leader of the MFA's "regimental dynamisation" programme whereby teams tour the country talking about socialism and the April 25 revolution, being politics and culture to the and villages of the interior. Recently promoted commander of the Fifth Division, military headquarters of the Lisbon and the headquarters for psychological and civilian action programme. Intelligent, crisp, has until now been outside direct business of government and has therefore tended to remain more an ideologue than a pragmatist. However after April 25 elections he confirms thoughts of building a new political party as "completely real," and said he would like to see "the parties simply working more closely together so a coalition government can lead down to serious governing."

"We cannot see things in terms of a society that imposes the affirmation of the individual."

First Lieutenant Miguel Judas

Member of the Supreme Revolutionary Council.

Served on second MFA co-ordinating committee. Politically aligned with the Communist Party. In recent armed forces general assemblies he defended the Communist Party suggestion of forming a "Committee for the Defence of the Revolution" from a poor family, he was left-wing militant from early youth. "The revolution cannot accept people who don't work."



ALFREDO DA SILVA DOCK: (1,000,000 d.w.t.) Two jumboisings and one large bottom repair.

LISNAVE

The largest and most experienced VLCC repair-yard in Europe

Apertado 2138—Lisboa 3. Telex: 12649, 16370, 18172 A-B LISNAV P. Cables: Lisnave Portugal.

LIST OF LISNAVE AGENTS

BRAZIL —Sociedade Comérc. e Ind. S.A.—Rio de Janeiro
DENMARK —Aktieselskabet Maritim Agency—København
FRANCE —Sagard Le Grand—Paris

GERMANY (EAST) —Salica GmbH—Rostock
GERMANY (WEST) —Wilhelm Schmitz, Hamburg
HOLLAND —ESMA—Euro Shipbuilding and Marine Agency—Amsterdam
ITALY —LISNAVE—Riviera Navale de Lisboa, S.A.R.L.—Genoa
JAPAN —Aeil & Co. Ltd.—Kobe

NORWAY —Helsing Aarup A/S—Oslo and Bergen
RUSSIA —OWEG, Vienna—Austria
SWEDEN —A.B. August Løfver & Son—Göteborg
UNITED KINGDOM —Keller Bryant & Co. Ltd.—London
U.S.A. —Lisnave Shipyards Inc.—New York

EUROFIL

INDÚSTRIA DE PETRÓLEO, PLÁSTICOS E FILAMENTOS, S.A.R.L.

WORLD PRODUCERS OF

PLAIN WEAVE CLOTH, BAGS, TUBING AND ROPES
IN POLYPROPYLENE WITH VARIOUS APPLICATIONS

BAGS AND PACKAGING OF ALL KINDS
CARPET BACKING
CORDAGE FOR ALL PURPOSES

PHONE: 2590172 TELEX: 16497 EROFIL P CABLES: EUROFIL

POVOA DE SANTA IRIA
PORTUGAL

These pen portraits are by JANE BERGEROL, Lisbon Correspondent

هكزان الة دل

PORTUGAL III

...and civilian

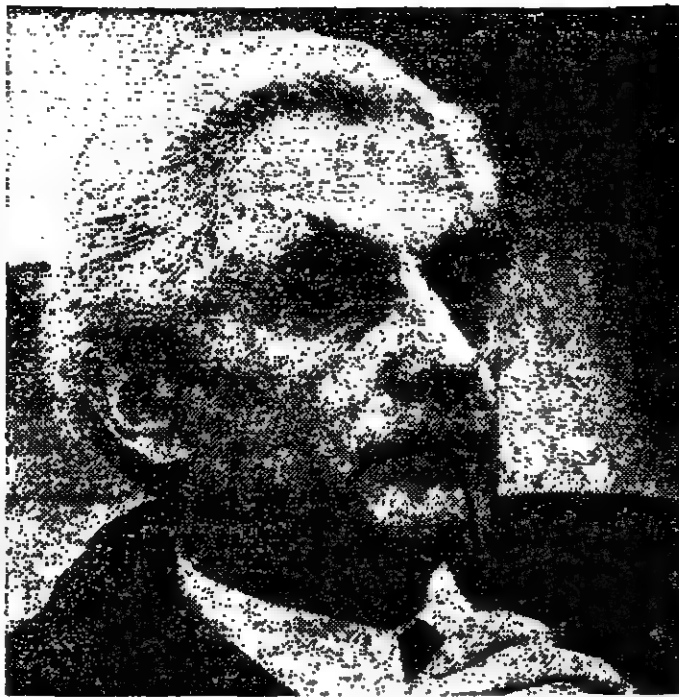
Dr. Alvaro Cunhal

Secretary General of the Portuguese Communist Party, Minister without Portfolio.

Joined the Communist Party in 1931 when he was 17 and a brilliant student at Lisbon's Law Faculty. In 1938 joined the Central Committee. Arrested and tortured in 1937. Freed a year later but in the next 30 years spent a total of eleven years in prison, eight in solitary confinement. Escaped from Peniche prison fortress in 1960 under the escape of a friendly gaoier. March 1961 elected Secretary General of the party, successor to Goncalves who had died in 1942 in Tarrafal Prison Camp. A Stalinist of the old school, Cunhal spent years in exile in the Soviet Union and Eastern Europe and went on record approving the Soviet invasion of Czechoslovakia. He returned to Lisbon

after the April 25 coup and was made Minister without Portfolio in the first provisional government, a post he has maintained ever since. He has guided his party cleverly into a close relationship with leading MFA officers and has ensured the PCP unconditionally supports the military. First signs of tension came with the extreme Left's incursions into the MFA and the rise of anti-party spirit among MFA leaders. Cunhal said firmly at the time "any attempt to bypass the political parties would result in a weakening of the MFA-people alliance." Regarded by some Communists as a dangerous hardliner who may damage the party's prospects he has nonetheless succeeded in seeing many PCP policies translated into reality. Unconditionally opposed to Western style bourgeois democracy.

"Portugal will not be the *chasse gardée* of West European social democracy."



Dr. Alvaro Cunhal

Dr. Mario Soares

Secretary General of the Portuguese Socialist Party, Minister without Portfolio.

Son of a minister in Portugal's first republic, Dr. Soares graduated in arts and law, and opposed the fascist regime from his youth. Backed the election campaign of General Humberto Delgado in 1958, and in 1961 contributed to drawing up the "Programme for Democratisation of the Republic." Was opposition candidate in 1965 and in 1968. Several times arrested by the PIDE, he was deported to Sao Tome and later exiled in 1970, remaining in France until the revolution. As a lawyer he defended Angolan liberation movement leaders from the Socialist MPLA. He founded the Portuguese Socialist Action Group in 1964, and participated in the 1973 Bonn Socialist Congress from which Portugal's Socialist Party emerged with him as leader. Foreign Minister in the first provisional government, he was much in the limelight as Portugal's principal ambassador opening relations with Eastern Europe, the Third World and working for decolonisation, all of which helped build his image



Dr. Mario Soares

as a responsible, strong statesman. In the fourth coalition, newspaper case has bought in some support. "For co-operation with the Communist Party to have any results, State information media must be truly free and not manipulated information. Then there are the problems of union elections, local government elections and the presence of the different parties in the machine of state at all levels, so there is no feeling of domination of and of senior civil service jobs. key positions by one party to the detriment of others."

Joao Cravinho

Minister of Industry and Technology.

Brilliant technocrat with degrees at Harvard and Oxford, he was appointed to the fourth coalition government as an independent. Earlier, a member of the Marxist Intellectual Movement of the Socialist Left, he left with other founding members after a Communist takeover bid at the party's December 1974 congress. Responsible for Portugal's "battle for production," he is touring Europe finding new markets for Portuguese exports. "We have got to increase productivity but unless we can find outlets for our production things are going to get worse before they can get better."

Cesar Oliveira

Marxist historian, aid to Information Minister and part of informal MFA brains' trust. A believer in mass organisations to support the MFA, he remains aloof from any particular political party. He may play an important role in setting up the new mass organisations. Engaged in restructuring the Portuguese Press and distribution network: something that could have a profound effect on politicising the people in the coming months once the MFA plan to make more newspapers into MFA organs is carried into effect.

Francisco Pinto Balsemao

Representative of Popular Democrats, (PPD) on the Constituent Assembly Speakers' Committee, he is editor of the authoritative weekly "Expresso." A former member of the Fascist Parliament's so-called Liberal wing, he was an opponent of the Caetano regime from within. He was victim earlier this year of a bomb attack on his Porsche car. As editor of Portugal's only serious non-Communist-dominated newspaper, he is influential. But he is generally considered too much of a lightweight to lead the Popular Democrats at this stage of the revolution.

Freitas do Amaral

Leader of the conservative Centre Democratic Social Party, he is a clever speaker and recently scored some telling hits in a television interview in which leading politicians are grilled before the nation. He may manage to pull his party back from the Right-wing brink it was teetering on before March 11.

Martins Pereira

Secretary of State for Industry.

A Marxist economist, he was appointed to his present job after March 11. Also linked to the Movement of the Socialist Left, he favours workers' control and said recently: "There are more progressive ways of control than nationalisation." He believes the industrial sector must be reformed through more participation by the workers in the production management process.

Octavio Pato

Leader of the Communist deputies in the Constituent Assembly, Pato must direct tactics in the tussle to write the constitution. A younger, less austere man than Cunhal, he is often represented as a less hardline Stalinist, tending more towards an Italian Communist Party line, though he himself denies this.

"There are no divisions within the Portuguese Communist Party."

Lopes Cardoso

Leader of the Socialist deputies in the Constituent Assembly, he is a dedicated Socialist on the party's Left wing. A hard worker, he has been instrumental in organising the party's workers and in helping to bring the April election victory. He led the Socialist Party candidates on the Beja list, where they managed the victory of almost tying with the Communist Party in what was considered its stronghold. At a political meeting recently he was riotously applauded after declaring: "We are the only force capable of opposing the attempts to create a dictatorship in this country. The divorce between the people and the MFA is getting bigger all the time, however much one shouts about the MFA-people alliance."

Jose Manuel Tengarrinha

Unofficial leader of the Communist-dominated MDP-CDE party, Tengarrinha is a sad and shadowy figure, labouring under the nickname of Communist arch-stooge. MDP-CDE deputies in the Constituent Assembly are widely regarded as being used by the Communist Party to propose suggestions it does not wish to be directly linked with itself. Interestingly, among Tengarrinha's proposals for the constitution are some pitiful clauses on liberty.

"The right to free expression of thought cannot in any way be invoked to allow expression of racist ideas, colonialist ideas or anti-democratic ideas or any



Octavio Pato

Dr. Mario Murteira

Minister for the Economy. An independent, Dr. Murteira is a Left-wing economist who has served on OECD commissions and was director of Portugal's Railways Board before becoming Minister of Social Affairs in the first post April 25 coalition and, after being dropped from the second and third cabinets, returned in March as Minister for the Economy, at the head of an impressive array of new ministries.

"We are getting to the economic and political moment of truth."

Isobel do Carmo

Leader of the PRP-BR Revolutionary Brigades. An endocrinologist by profession, she is the only woman to lead a Portuguese party and her PRP-BR has achieved enormous influence both inside the workers' councils on factory floors and inside the armed forces, where it has been organising soldiers' and airmen's councils. However she will have to watch the Supreme Revolutionary Council's latest decisions to ban politics from inside the armed forces carefully. Her revolutionary brigades are also facing disarmament under the terms of a new law to be passed soon. They were active under fascism in armed resistance and their feats included sabotaging a NATO headquarters in Portugal and organising an explosion in Russia, attributed at the time to PAIGC guerrillas.

Arnaldo Matos

Secretary General of the Revolutionary Movement Proletarian Party (MRPP)—The Maoist party banned from taking part in the elections and subsequently made illegal as a political party, though it is still functioning as a political association.

Matos was imprisoned after COPCON security forces raided MRPP offices and arrested dozens of MRPP militants in June. He is the leading MRPP prisoner in whose honour weekly demonstrations are being held.



Portrait of a country where the British have been welcomed for 600 years.

It began with a treaty of friendship between our countries in 1387, which has lasted to this day. We have never fought, except as allies.

Nothing has changed this friendship. Your welcome to Portugal is still as warm as our sun. Our coastline is still the loveliest—and the least spoilt—in southern Europe. We make good wine, and enjoy good cooking. We have some of the most spectacular cathedrals and castles in Europe—and some of the most spectacular golf courses.

If you've ever motored in Portugal

you'll know that the roads are excellent and traffic is agreeably sparse. (The biggest hazard you'll be likely to meet will probably be a flock of goats).

TAP, the national airline of Portugal, and British Airways both offer fly-drive holidays in Portugal. Or you can take your own car on Southern Ferries.

For first-timers, Portugal is an eye-opener. Second-timers will find that none of the qualities that make Portugal an idyll has changed.

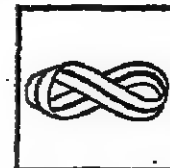
You can get full details from Portuguese National Tourist Office, 20 Lower Regent Street, London SW1. Tel: 01-930 2455.

Unspoilt Portugal

We speak finance fluently with a perfect Portuguese accent

If you want to talk business with Portugal, you need a good interpreter. We're bilingual in finance and Portuguese.

In fact, Banco Totta is your door in London to Portuguese banking and business. Come and talk to us in English. Call our Marketing Manager, Hector Pilkington.



BANCO TOTTA & ACORES

1-3 Abchurch Yard, London EC4N 7BH. Telephone: 01-283 8555. Telex: 887609

Head Office: Rua Aurea 88, Lisbon-2. Telephone: 369421. Representative Offices: New York—Paris—Caracas.

PORTUGAL IV

Economic gloom

PORTUGAL is facing a very real economic crisis—although to obtain a statistical picture of the situation is virtually impossible.

Unemployment is certainly higher than the official figure of 250,000, or 8 per cent. of the work force. Large numbers of penniless immigrants returning from strife-torn Angola are swelling the numbers of unemployed at the rate of probably two or three hundred a week. Over 1,000 people are returning by special planes every week these days, and some 50,000 have returned since the revolution. Inflation is now running at something over 3 per cent. a month, a big increase on last year's average of 1 per cent., but perhaps misleading as the latest monthly figures reflect substantial controlled price rises carried out by the Government.

The balance of payments is in bad shape. The deficit by the end of this year is being officially forecast at something approaching the equivalent of £550m., which would virtually exhaust foreign exchange reserves at the Bank of Portugal. Happily, there are huge gold reserves still in hand which, if sold on the free market, would guarantee the country's safety from bankruptcy for another four to five years.

Confidence

That being so, it is a mistake to talk of Portugal being in danger of economic collapse. The country's main problem, to-day, as it was a year ago in the aftermath of the military coup, is to regain foreign confidence and re-open export markets which have shut their doors over the past 12 months and plunged the country's precariously managed industrial sector into chaos. This would buy time for the planners to go ahead with the massive restructuring and streamlining of the economy, and also persuade those who are still unconvinced that there is still room for private enterprise in Portugal.

The trade balance gives a startling idea of the country's present situation. The forecast for the end of the year is a deficit equal to £870m. Food and oil imports are largely responsible but so is the dwindling export production, which is also reflected in an estimated drop of 6 per cent. in Gross National Product.

There are factories in Portugal to-day, fighting the "battle for production" and working Saturdays and Sundays, but seeing output pile up in warehouses without buyers. The other side of the coin is the gloomy picture of family businesses going bankrupt, as order books remain empty.

Some workers have recognised the problems of the industrialists and have agreed to work at below the national

minimum wage level to maintain a small plant in business and themselves in a job. Not merely union officials but also company managers themselves are enthusiastic about the way in which growing numbers of Portuguese workers, faced with bleak days ahead, are sharing in company problems and seeking solutions of their own.

It is impossible to paint a generalised picture of industrial activity in the country to-day. The scene varies from one industry to another, from one plant to another, but the basic problems are those of rising costs, shrinking demand and lack of bank credit.

The state of labour relations—with the profusion of trades unions, workers' committees, revolutionary councils and committees all vying for control on the factory floor—also very largely depends on individual company management.

But the general picture is of a managerial class suddenly awoken to the 20th century round of collective bargaining, exhaust of Government controls on banking and equally importantly on workers' conditions and social security, and wondering, as the threats against private enterprise continue to multiply, whether there is room for them at all in revolutionary Portugal.

The background, too, is of largely antiquated and labour-intensive small family businesses. The small companies represent the bulk of the labour market and of exports (textiles, glass and wine for example), while the big companies by contrast are capital-intensive but provide the modern backbone for restructuring the entire industrial sector.

Portugal's modern economy on the eve of the revolution was a unique blend of laissez faire exploitation of the workers and of organised Caballistic monopolies, structured around the corporate Fascist state and a handful of large family banks, insurance companies and conglomerates. It was unrealistic of the MFA to postpone action on splitting up these groups, and looking back on the mistakes the military have made the tardy nationalisation steps of March, 1975, may prove to be the gravest error of all.

Any economic analyst would earlier have concluded that no political reform would be possible without breaking the control over the inequities of the banking system, and ridding industry, trade and financial institutions of their effete and parasitic managers—replacing them with technocrats who could reverse the centuries-old Portuguese elite trend to over-consume and instead begin to invest. Portugal's rich were the fabulously rich. Their cocooned industrialists and have agreed to work at below the national

minimum wage level to maintain a small plant in business and themselves in a job. Not merely union officials but also company managers themselves are enthusiastic about the way in which growing numbers of Portuguese workers, faced with bleak days ahead, are sharing in company problems and seeking solutions of their own.

Then came the Antunes three-year economic programme produced after endless deliberation as a "moderate" plan and immediately voided by the March 11 Spínola coup and the wave of nationalisation of all Portuguese-owned banks and insurance companies followed, putting not only banking and insurance under State control but around 50 per cent. of Portuguese industry as well, through the shareholding of the financial institutions.

Too little, too late has been the military's record so far in dealing with the economy. It is to be feared that the confidence of foreign capital investors will not return for many months, justifiably or otherwise, although some ground may be gained by a positive Common Market attitude towards injecting aid and widening special trading arrangements, as well as by forthcoming publication of a new Portuguese code for foreign investments.

Haphazard

But muddled thinking on where the priorities lie is already clogging the working of the new economic apparatus. There is no question but that emergency aid must be injected into medium and small firms to help them stay above water. But the volume of such emergency credits are at the same time disquietingly high, given their essential nature of bailing out a company on a month-by-month basis, and also alarmingly haphazard.

The impression gained is that broad policy has been determined, but that firm projects are still on the drawing board, with the result that Ministries, desperately snowed under by daily demands for help and anxious to show they are taking some action, are doling out Government funds on an ad hoc basis.

At the same time, the economy is beginning to suffer from the exodus of technicians and cadres, either too heavily compromised with the old regime to feel there is a future for them to-day, or simply disgusted at Portugal's new salary freeze, which hit at the middle classes. Attracted by Brazilian promises of better days, they are leaving Portugal for Rio in growing numbers. Not only the technicians, engineers and economists but also the doctors, who are scarce enough in Portugal as it is.

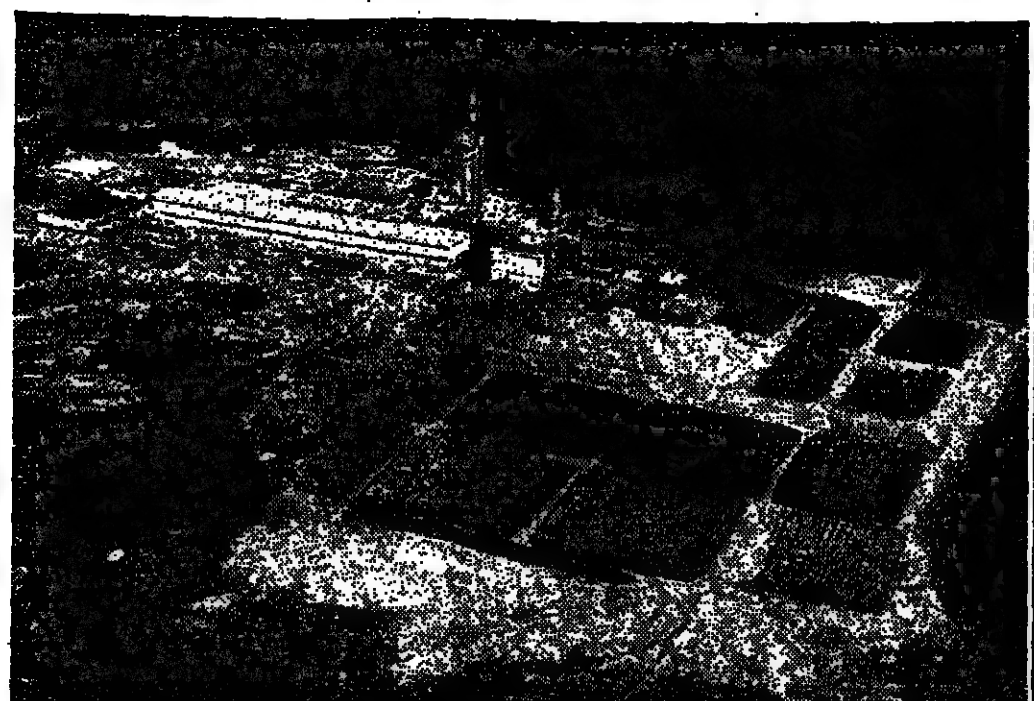
Things are going to get worse before they get better, because Portugal's economy is in such profound need of remodelling at a time of generalised world economic recession. Just how bad things will get, and how much of an austerity programme the Government will be forced to launch (perhaps accompanied by rationing) nonetheless depends to a great extent on the traditional clients of Portugal returning to place

their orders with their former suppliers.

Diversification of markets is a laudable long-term aim, but Portugal cannot switch from Western to Eastern Europe in a year—nor does it want to. Firmly against putting all its eggs in one basket, the Government wants to capture new markets but maintain the old friends as well. Only in this

way can the economy be placed on a new and sound footing, one that together with self-sufficiency in food production, the payments situation can again be righted, and Portugal put to end to its five centuries of enforced emigration and help its people to live comfortably at home.

Jane Bergero



CELNORTE
CELULOSE DO NORTE, S.A.R.L. PORTUGAL

Headquarters:
DEOCRISTE
VIANA DO CASTELO

Offices:
PORTO P.O. BOX 517
TELEX 22767 CELNOR P

producing
PORTOLINER

PURE KRAFT LINERBOARD

sold through

Central National Limited

a member of

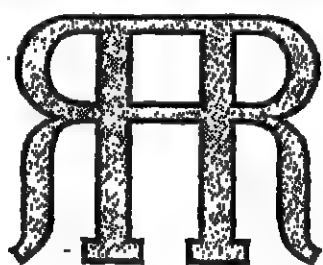


Gottesman-Central National Organization

Address inquiries to:

45, BLOOMSBURY SQUARE, LONDON WC1A 2RA, ENGLAND.

*(By exporting,
contributing to the Portuguese Economy)*



RAR—REFINARIAS DE AÇÚCAR REUNIDAS, S.A.R.L.

SUGAR REFINERS

APARTADO 484

PORTO—PORTUGAL

A ten year old Company which is now reaping the benefit of its policy of reinvestment over the years (increased capacity nine times) with the opening up of new, world markets to the Portuguese economy.

Since September 1974, RAR has been exporting 35 per cent. of its production to European and Arab markets.

We continue to be open to new export opportunities and are confident that we shall continue to grow.



Certification Trade Mark
pure sugar

Tel.: 63027/8/9
Telex: 22724 RAR P.
Cable: RARAÇÚCAR PORTO

BETOMÁQUINAS LDA.

MANUFACTURERS & EXPORTERS OF
MACHINERY & EQUIPMENT FOR THE BUILDING
INDUSTRY

- Dumping & Turning Concrete Mixers of all normal capacities, diesel and electric operated, with and without winches.
- Goods Lifts (operated from Mixer winches).
- Cranes, both diesel and truck-mounted electric.
- Winches (turning scaffold and portal).
- Dumpers.
- Modular Scaffolding.
- Steel extensible props.
- Metal Formwork.
- etc., etc.

Enquiries to: LARANJEIRO - ALMADA - PORTUGAL

Withdrawal symptoms

PORTUGAL'S decolonisation in Africa will have taken 18 months by the time Angola gains independence in November. The effects within metropolitan Portugal of this rapid withdrawal after 500 years have been to some extent overshadowed by the traumas of the revolution itself.

But the greatest shockwaves are in any case being generated in Angola, and the next six months will be crucial for the overall history of Portugal's withdrawal from Africa. The country is hovering on the brink of civil war between three rival liberation movements.

The Portuguese army is powerless to intervene and Angola's half a million white immigrants are queuing for emergency flights to Lisbon, in a panic to come home before they are slaughtered in potentially the worst carnage since Katanga.

The Armed Forces Movement's determination to cut the bonds of colonialism have been greeted with mixed feelings by Portuguese at home: few actively approved of colonialism, but many went along with ex-General Antonio de Spínola's muddled concept of a slow withdrawal and imposition in Guinea Bissau and Mozambique of some kind of multi-party parliamentary democracy, rather than a straight handover to the PAIGC and Frelimo, the liberation movements who alone had fought the Portuguese presence in their countries for more than a decade.

This was not to be. Happily for both countries, the MFA had a clear vision of PAIGC and Frelimo as strong national governments capable of assuring stable development in the future—and officers were bitterly aware that another ten years of Portuguese rule would

not have afforded the colonies any greater prospects of advance. Portugal's economic difficulties debar any appreciable aid or technical assistance to its African territories. Portuguese capitalism has been singularly unable to exploit fully the immense resources of Mozambique and Angola. In short Portugal had nothing to offer by her continuing presence, even under a democratic government in Lisbon, and the only solution was an end to the sordid war and immediate and total independence.

Complex

In Angola the situation is more complex. Three rival liberation movements, the National Front for the Liberation of Angola (FNLA), the popular Movement for the Liberation of Angola (MPLA) and the National Union for the Total Independence of Angola (Unita) have equally strong credentials as resistants to Portuguese colonialism. All have fought the colonial army. All have bases of support and liberated areas inside the country—all must have a share in independence. The January Alvor independence agreement set the stage for cooperation between the three in a transitional government, but bitter opposition between the Zaire-based pro-capitalist FNLA and the socialist MPLA has caused tragic fighting since March and the deaths of upwards of 5,000 Africans, with only slim prospects for a peaceful transition to independence in November. Quarrelling among the movements is compounded by the arms race inside Angola and from outside, as the interests of the outside world in Angola's immense natural resources are

CONTINUED ON NEXT PAGE



A SYMBOL OF PROGRESS
IN PORTUGUESE INDUSTRY

WORLD-RENOWNED
FOR
WINDOW GLASS

Enquiries to:

EXPORT DEPARTMENT, EDIFICO COVINA
Av. da Liberdade 192,
LISBON 2 - PORTUGAL
Telex: 12843 COVINA P

SOFIL SPINNERS

COUNTS FROM 16"-40"
CARDED & COMBED
PLYED YARN
AND OPEN-END
FROM 6"-20"
OR BREAK SPUN

SOFIL-Sociedade de Fiação de Vizeira, Lda.
P.O. Box 9, S. Martinho do Campo (Santo Tirso)
Portugal

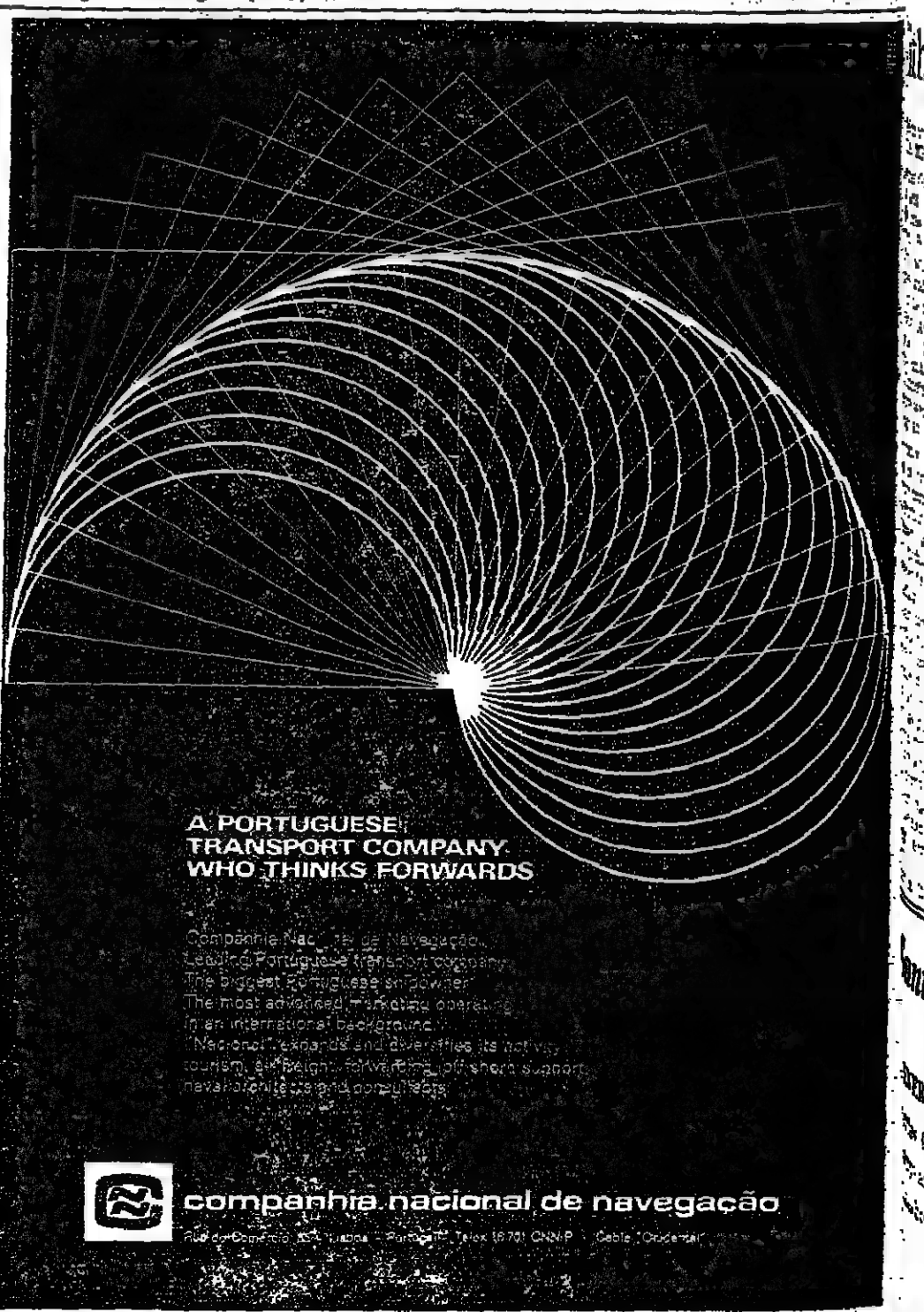
TORRALTA

CLUB INTERNACIONAL DE FERIAS

The New Look in
PORTUGUESE TOURISM

• Bragança • Troia • Serra da Estrela •
• Algarve •

HOTELS — APARTHOTEL — CAMPING
INFORMATION: Av. Duque de Loulé, 24, Lisbon, Portugal.
Tel: 571748 Telex: 16445 P



A PORTUGUESE
TRANSPORT COMPANY.
WHO THINKS FORWARDS

Companhia Nacional de Navegação
Linha de Portugal
The largest Portuguese shipping company
The most advanced transport company
In an international background
National flag and crewing its best way
to ensure the safety of its passengers
and cargo



companhia nacional de navegação

Av. da Liberdade 192, Lisboa - Portugal - Telex 12701 CNL P - Cable "Ondamar"

PORTUGAL V

Struggle for political power

WHEN THE Armed Forces and a bigger say in policy overment (MFA) took power Portugal 15 months ago, its programme of action guaranteed a return to democracy, elections for a national assembly, a president, and a return to the barracks by the military. Both assembly and president were ensconced to run the country.

The MFA came to power without an ideology, and with simple aims of ending the civil colonial wars and ousting the fascist regime, bringing Portugal into the second half of the 20th century out of its isolation on the southern rim of Europe.

But as far as the MFA got grips with the country's real problems, so it developed leftward towards its own concepts of socialism. Full of contradictions, these concepts have best been defined by President Costa Gomes as a "fertile cross-fertilisation of elections and revolution." To-day the soldiers' aim to be "Portugal's liberation movement," which in revolutionary terms means the country's ruler and mentor.

As a consequence of the MFA's unifying its power, the MFA for 3-5 years, debarred political parties have been relegated to the rear-guard. While the MFA continues to modify its original programme to fit in with its new role as ruler and guardian of the evolution, the politicians are engaged in a daily battle to prove they are not last of all in the revolutionary race but right up there behind the MFA.

There is more than an element of schizophrenia in the current political mood of the country. The April 25 elections marked a high point in Portugal's political history. Two mass parties — the Socialists and Popular Democrats — emerged into the limelight as potential government and opposition. But since then, limited to functioning within the terms of the constitutional pact signed with the armed forces before the elections, and with the fourth coalition Government increasingly an executor rather than initiator of policy, their influence on the national political and economic scene has considerably diminished.

The parties' tactics have consequently been to inundate the Portuguese Press with communiques on this or that, and to call mass demonstrations to show off the physical extent of their support in sheer numbers. Seldom have they actually presented concrete policies to the country or the ruling military to help solve Portugal's day-to-day and long-term problems. More usually they are engaged in backbiting among themselves, or, in the Socialist Party's case, in halting the growing influence of the Communist Party and demanding a democratic distribution of senior administrative and executive posts, action to safeguard Press freedom from domination by the Communists.

Exclusion of the parties from the coalition Government, as a result of their endless quarrelling and particularly of the Socialists' strong push against the Communists, became a very real possibility in the post-election period up to the June marathon meeting of the Supreme Revolutionary Council.

However, anti-party officers were defeated during the eight days of debate, and the final "political plan" which emerged overtook the original MFA programme, and enlarge upon the constitutional pact as the future basis for Portuguese socialism, did guarantee the parties a role in government in Portugal.

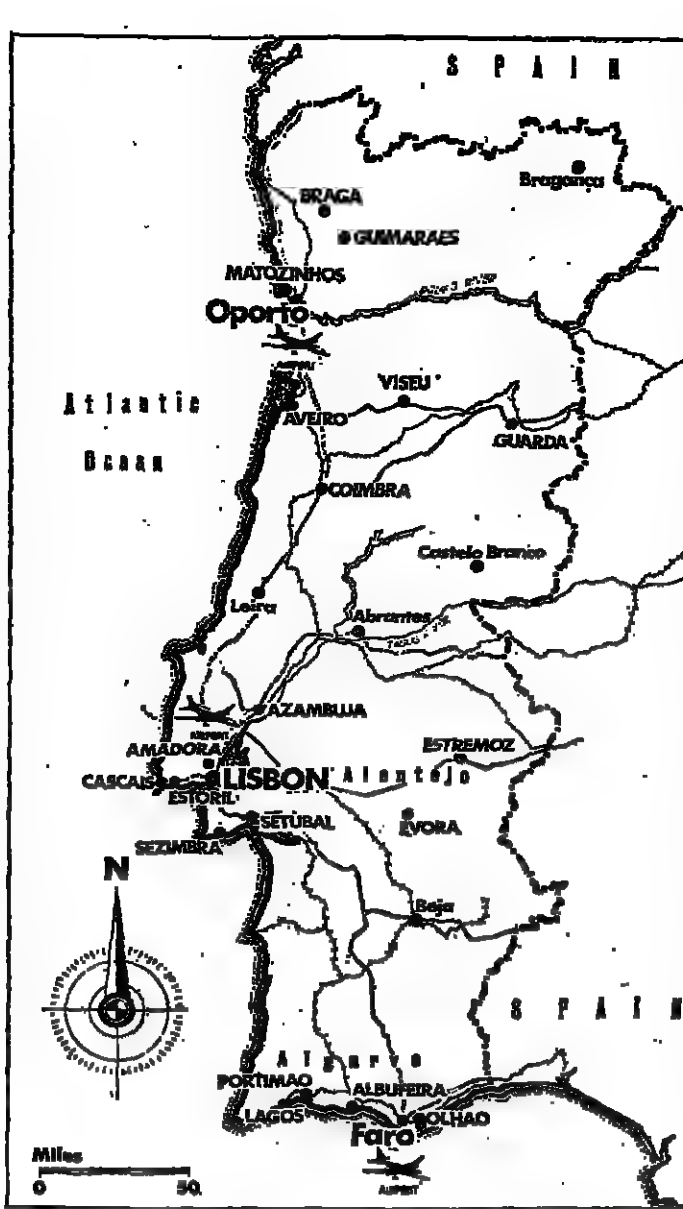
But they are limited at present to debating the constitution in their elected assembly, within the terms of the constitutional pact; and, within the fourth coalition Government, to executing major policy decisions taken by the Military in the Supreme Council of the Revolutionary Council.

Briefly, the pact upon which the constitution is to be based guarantees a leading role for the MFA for 3-5 years, debarred political parties have been relegated to the rear-guard. While the MFA continues to modify its original programme to fit in with its new role as ruler and guardian of the evolution, the politicians are engaged in a daily battle to prove they are not last of all in the revolutionary race but right up there behind the MFA.

How long can this uneasy struggle for power between the politicians and the military continue? The history of Portugal's revolution since April 25, 1974 is a complex and swift-moving story of a march towards socialism "punctuated by two revolutionary dates": the demise of ex-General Antonio de Spínola after attempts by the silent majority in September, 1974 to give him wide presidential powers and end the MFA collegiate system of government. Second, the March 11, 1975 attempted coup by Spínola.

and the consequent sharp veer further left, characterised by temporary rule by the Communist Party via sympathisers inside the armed forces.

This period has come firmly to an end with the June "political plan." To understand the fall of the Communist Party it is enough to look at the election results of April 25. But in the current situation, what is so unique in Portugal is the complete lack of authority, which has led to a situation where both MFA and political parties are increasingly reacting to grass roots workers' movements rather than leading the revolutionary process from above. Intertwined is the story of the



birth of the political parties and to the front but remained behind the lines in the officers' messes, in Luanda, Beira, Lourenço Marques and Bissau. In the field conscript officers lived 24 hours a day in sordid, retrenched camps with their men, often for the full 27 months of military service. No one wanted to fight and discipline gave way to comradeship.

Such forces continue to be the Portuguese army to-day. The only regular soldiers are officers. Meanwhile, after the revolution, both police and Republican Guard were totally discredited for their roles under Fascism.

Authority from the political parties is exercised by the Communists over their militants but only the figure of Dr. Mario Soares stands out at a national level as a man capable of making a tough stand as he has done over the Communist issue. For this he has won enormous respect from many Portuguese and is undoubtedly seen as the country's single most powerful politician to-day.

Meanwhile the middle classes are frightened of the growing power of the workers, who have been able to court so far on MFA support, or at least lack of opposition, to most of their initiatives on the factory floor and in managers' offices. The result was a burst of power for the extreme Left who saw how to exploit workers' militancy, and exacerbate tensions between grass roots and the Communist Party, engaged in a conservative labour policy of trying hard to control and contain the union movement.

The union movement itself for the moment holds little power. Reorganisation of unions from horizontal into vertical lines (Lisbon's 23 different unions will be rolled into one for the shipyard for example) is to take place between now and the end of August, and nobody to-day would forecast how many will end up under Communist Party control. The communists have consistently lost ground in the unions since their seizing informal control in the aftermath of the April coup. But because of their superb organising power, they are capable of unhitching electoral successes and profiting from other workers' lack of enthusiasm for union affairs — still a problem in the larger unions despite the workers' committees.

In the profusion of parties — 12 fought the April elections — the confusion of trades unions and workers' committees, the new move by the armed forces to create even more, parallel mass organisations in support of the MFA and its revolution, appears unlikely to have any very startling effects.

Basically, the Portuguese made up their minds about the revolution on the April 25 elections. Many will no doubt shift allegiances by the time the legislative elections come round at the end of this year or the beginning of next. But there can be little doubt that the majority is for the pluralistic socialism promised by the military, and identified with Dr. Soares and his Socialist Party. The principal contenders for power will have a tough job persuading the electorate otherwise. They are: the Popular Democrat Party (PPD); a social democrat party supporting the revolutionary process, but held in disdain by parties to the left of the Socialists as a broadly liberal coalition without true socialist doctrines. As Portugal's second largest party it is in constant competition with the Socialists though inside the Constituent Assembly the two tend to vote along the same lines forming a massive 62 per cent. majority.

The Communist Party, losing ground, with a small vote in the elections, the PCP is going through a tense period where its friends inside the MFA are tending to be pushed outside the decision making bodies of the Supreme Revolutionary Council. Reportedly divided over future strategy, it may have to decide whether to adopt a softer line more akin to the Italian party, in the face of popular discontent at the Communists' wide influence, and in the face of a new wariness about the party within MFA ranks.

The Centre Democratic Social Party, Portugal's conservative party, purged of many of its more compromised elements since March 11 and their hasty flight from the country. The CDS is busy building its image as more Left-wing than the PPD, and may gain more votes in the next elections as voters react to its leader's personality. A more clever and confident inspiring man than the PDP's Emidio Guerreiro, Freitas do Amaral may manage to pull the party back from the Right-wing brink it was in danger of falling over earlier this year.

Jane Bergerol

Opposition

MDP-CDE: the Communist-dominated party left of the Socialists, originally formed as a loose opposition to the Fascist regime in 1968. Subsequent withdrawal by Socialists and others have left it without any clear role except that of Communist Party stooge. Its reputation as such killed it in the last elections.

Against them is ranged Dr. Mario Soares' Socialist Party. The largest party in the country, it has made more headway since the elections thanks to Dr. Soares' tough stand against Communist domination of the Press and key civil service posts, striking a responsive chord in most Portuguese. However its main problem to-day is to know when to stop crying "wolf" about resigning on this issue from the coalition. Does it continue to threaten to resign unless given satisfaction and risk losing national credibility? Or does it resign and risk oblivion by no longer being in the limelight as a Government party? The rumour immediately after such a drastic course is probably frightening enough for the Socialists to remain where they are and continue applying pressure.

Jane Bergerol

AMPOR
PORTUGAL

In the field of fertilizers

AMPOR — Amofaco Português produces at present the following types:

ELEMENTARY FERTILIZERS

AMMONIUM SULPHATE 21% N	AMONITRAL 20.5% N (C.A.N.)	AMONITRAL 26% N (C.A.N.)
-------------------------	----------------------------	--------------------------

COMPOUND FERTILIZERS

AMPOR NPK	13:13:20	20:20:0
17:17:17	10:20:20	10:20:0
15:15:15	10:10:10	

AMPOR — AMONIFACO PORTUGUÊS, S.A.R.L.
Rua Silva Carvalho, 234 — 1.º, 2.º, and 3.º.
Lisbon — 2
Portugal
Tel. 622172/5 — 656041/3 — 652430
Telex: 12525 AMPOR P
Cables: AMONIFACO LISBOA

TEXTILINA, L.^{PA}

OVER 30 YEARS OF SERVICE
AS
CONVERTERS AND EXPORTERS
OF
COTTON FABRICS

Enquiries to Export Director

Rua de S. Nicolau, 41-1.º

LISBON, PORTUGAL

Tel: 361905/6/7

Cables: TEXTILINA LISBON

Telex: 12343 TEXTIL P

Withdrawal CONTINUED FROM PREVIOUS PAGE

reflected in the political struggle of FNLA, MPLA and UNITA.

Now that Guinea Bissau, Cape Verde and Mozambique are already free and independent however, Portugal now has relations with most African countries and is now able to count on help and advice from such key African leaders as Tanzania's President Julius Nyerere and Zambia's President Kenneth Kaunda, both of whom are working to help solve the Angolan crisis.

Inevitably, the impression in Lisbon is that Angola's independence must come on the date fixed. Portuguese troops will be withdrawn according to the Alvor schedule, and that Portugal wishes to wash its hands of the affair before a wholesale civil war can break out. The knowledge that Portugal's army is wholly unprepared to fight for peace in Angola is the basis for the argument of withdrawal as soon as possible. But against it is the problem of the half million white Portuguese left in the territory, and the effect of their panic evacuation on an already tense and unstable situation.

Guinea Bissau, Mozambique

and Cape Verde have by contrast been straightforward handovers.

Economically, Portugal has, however, to bear a huge burden at decolonisation. On the one hand, the country is still paying off the debts of the African wars. On the other hand it must now shoulder the debts of colonialism, since neither Guinea Bissau nor Mozambique have either the hard cash or the intention of taking up Portugal's colonial debts themselves.

At the same time, with austerity a key policy in the newly independent African countries, Portuguese exports to Africa will suffer in the short term.

However, the most striking fact to emerge from under the blanket of fascist propaganda is the lack of development in the Portuguese colonies. For the Africans themselves, this was reflected in shockingly low literacy, nonexistent health services outside major cities and an almost total complete absence of an African middle class.

For Portugal, the colonies supplied little stimulation to the home country's industrial

development. Mozambique's immense mineral resources went untapped, and agricultural development — sugar, sisal, tea, cashews — is overwhelmingly in the hands of foreign, mainly British and South African, companies. Only cotton came back to Portugal at compulsory low prices to feed the home textile industry. But the chronic Mozambican payments deficit three years ago forced revision of the compulsory Portuguese purchasing system and the textile industry's protection racket ended three years ago.

In Angola, the pattern is similar. Diamonds are for De Beers, coffee is sold direct on to world markets frequently through foreign intermediaries, most mining, agro-industrial and trading concerns of any size are under foreign control.

Independence will therefore not be depriving Portuguese industry of cheap raw materials, of huge overseas investments likely to be nationalised, of vast colonial markets. Portugal's three sizeable investments in Africa was its people and its decade of colonial warfare.

But Lisbon must now wrestle with the huge debts it has to shoulder. In Mozambique, official Portuguese sources put the debt package plus Portuguese nationalised assets being handed over to the Prelim Government as high as £1.1bn. This includes £527m. for the Cabora Bassa Dam, a payments deficit of an accumulated £100m. commercial debts, vast sums in suppliers' credits covering infrastructural investment in roads and airports linked to the colonial wars.

In Angola, the situation is still extremely confused. Nationalisation of banks and insurance companies has by extension nationalised most Angolan banks and finance houses, just as occurred in Mozambique. But given the politically opposite views on State ownership of FNLA and MPLA, nobody to-

day knows how to resolve the handover. Again, whereas Mozambique's chronic underdevelopment made it completely unfeasible to expect the independent Government to take on colonial debts, Lisbon is rather desperately hoping the Angolans will agree to take on at least part of Portugal's Angolan debt burden, since Angola's balance of payments is in considerably better shape than that of Portugal itself.

On a world level, African decolonisation, and the long forging of MFA ideology in the jungle camps of Guinea Bissau, Mozambique and Angola, place the armed Forces Movement in a unique position as regards foreign relations with the rest of the world. The end of the colonial era has meant the end of Portugal's diplomatic isolation, while the socialism chosen by the MFA for Portugal has both cheered the non-aligned and Soviet blocs and frozen the welcoming smiles of the Nato allies.

Armed Forces' officers maintain their aim is national independence. Many feel the Nato alliance is an unhealthy compromise for a socialist country, yet more perhaps value the Nato forum as a point of contact with Western Europe and a means of re-affirming Portugal's Western European identity.

Much of the polemic about Portugal's place in the world is the natural outcome of a traumatic period of decolonisation, finding oneself part of a small country instead of a large empire. But the polemic also centres around the refusal to see the world in cold war terms. Whether this view eventually triumphs will depend inevitably on Portugal's own political future: as a living struggle between Communist and non-Communist forces, Portugal is a test case in the eyes of the anti-Communist West.

Jane Bergerol

Santos Barosa Ca. Lda.

GLASS MANUFACTURERS

EVERY VARIETY OF GLASS FOR EXPORT

Bottles, Demijohns and Flasks of every description.

Lamps and Lighting.

Glass bricks, tiles, etc., for the Building Industry.

Av. Ressano Garcia, 47, 1.º Esq.

LISBON 1, PORTUGAL

Tel: 537118/9 Cables: VIDROBAROSA

FULL SPEED AHEAD

We attain our goals. We live in the present. We are a living reality. The most up-to-date and one of the largest shipyards in the world. Our strength is the strength of our technology and the toil of our men, united in the construction of a new Country. We announce the start of repair work on the first ship in our dockyard: a 135,000 tdw. tanker.

SETENAVE
ANOTHER STEP FORWARD

setenave

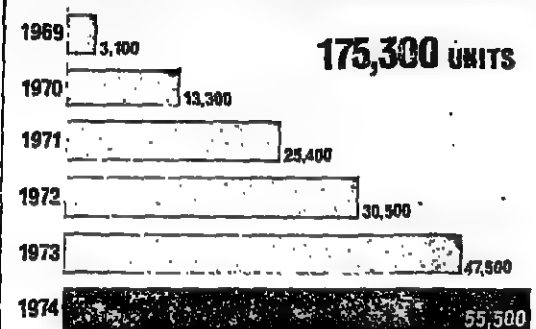
ESTALEIROS NAVAIS DE SETÚBAL, S.A.R.L.

Port of LISBON



Containers are something we understand... we already know all there is to know about handling them and we have ambitious development projects for the future. Remember, also, that not only containers but ALL CLASSES OF GOODS, coming from any part of the world, benefit from passing through LISBON: the port with ideal conditions which is considered to be "THE WHARF OF EUROPE."

1969-1974 TOTAL CONTAINERS HANDLED:



1974 Containerised Cargo 570,000 tons

ADMINISTRAÇÃO-GERAL DO PORTO DE LISBOA
CAIS DO SOBRE - LISBON

FOUNDRY:



Companhia Metalurgica Nacional, S.A.R.L.
Teleph. 320011—Cables: COMETNA
Telex: 121819 Comena P
Rua Academia das Ciencias, 5
LISBON, PORTUGAL

CAST STEEL FOR:

- Railway Equipment Industry
- Cement Mills, Quarries, Mines, Ports and Civil Engineering
- Steel Plants, machine buildings, turbines and thermo-electric and nuclear power stations

CAST IRON (MEEHANITE LICENCE)

- Flake or spheroidal graphite for general engineering purposes
- Heat-resisting castings
- Wear-resisting castings
- Corrosion-resisting castings

ALL ALLOYS PRODUCED ACCORDING TO INTERNATIONAL STANDARDS

HOTEL ESTORIL-SOL

25 minutes from the centre of Lisbon. Conference and Congress hall holding 1,200 people. Olympic-size swimming-pool with saltwater. Vast terraces facing the sea. Fully air-conditioned with 404 rooms and luxury suites. Sauna. Bowling.
TELEPHONE: 202831
TELEX: 12640 SOLTEL P



CASINO ESTORIL

The largest and most modern casino in Europe. Open 24 hours a day. French bank, baccarat, chemin-defer, roulette, blackjack, 21, chuck-a-luck, dice and slot machines. Restaurant, music-hall, Wonder-Bar nightclub, Bars and Cinema.

TELEPHONE: 264521
TELEX: 12660 P



Perched on the rocks, overlooking the Atlantic, the Hotel do Guincho, formerly a ruin, has been entirely restored and modernized and transformed into a supremely comfortable luxury hotel, which opened on the 21st March, 1974.
TELEPHONE: 2269431
TELEX: 12624 SOLTEL P

PORTUGAL VI

Industry at the crossroads

THE CONFEDERATION of a reasonable standard, despite Portuguese industry is holding the European textile slump. A major conference this month for its thousands of members first quarter of 1975 are substantially similar to the same platform of industrial problems period in 1974: this means a and discuss the future of fall of around 15 per cent. due private enterprise in this country. It will be a gloomy phase in textile sales began in session with stories of imminent bankruptcies, of fleeing technocrats, of purged management and militant trades unions and workers' committees.

But in an important sense it will also be the first time Portuguese industry has been able to take a long, hard look at itself since the revolution, and start concrete discussion of its future within parameters now fairly clearly defined by the Government.

In the 15 months since the revolution, few companies have actually closed their doors. Even the crisis-ridden textile industry managed to keep its order books fairly full until around March of this year. It is since then that the "international boycott" as it is called here of Portuguese export companies, has really begun to squeeze.

The other cornerstone of industrial development, the Sines Petrochemical Complex, is to be pushed ahead by the Government despite its high capital input and low job creation. Eventually Sines will form a new industrial centre south of Lisbon, attracting around 100,000 workers and their families to the area, and will include a deep water port for tankers up to 500,000 d.w.t. serving the refinery scheduled to go on stream in August, 1978.

A 300,000-ton-a-year ethylene cracker will also hopefully enter production at that time, later completed by plants producing low and high density polyethylene, polypropylene and PVC.

Since the wave of nationalisations, most of the project is how in Government hands, but foreign participation amounts to about 29 per cent. and around 20 per cent. of capital is to be raised from public subscriptions.

Altogether \$500m. in investments — and with inflation in fact considerably more — are being poured into Sines: a lot of money for the creation at the end of 1,900 jobs. However, unfortunately for Portugal, international confidence ebbed as fast as socialism grew here, and coupled with a world economic depression and the end of cheap labour inside Portugal, the results have been little short of disastrous. To-day Ministers and Secretaries of State are hardly ever at their Lisbon desks but are out on endless sales tours of Eastern and Western Europe.

Nonetheless, some industries have managed to maintain orders and keep a burnished image on world markets. In particular Portuguese shipbuilding has continued to build its reputation. Both Lissave and Setenave have well filled order books despite the world shipping crisis. Lissave is also on contract to build shipyards in Brazil and Bahrain, after competing with many other companies. Productivity at the yards has been subject to some fluctuations — mainly in the euphoria generated by freedom to strike last April and May 1974. But to-day workers have settled down and Lissave recently cut time on a repair job to eight days instead of the customary 12-14.

Shipbuilding and repairing is one modern competitive sector where Portugal is high in world stakes. Textiles is another. At the same time as the country contains thousands of small family textile businesses still operating on a craft basis, it also has a growing number of modern mills, and these have generally kept turnover up to

WANDER THE smooth beaches and sample the balmy pleasures of Portugal's tourist resorts at the moment and you would believe that nothing has changed in the nation for a thousand years. Here is still the land of welcome, of good food, of superb weather and of pleasant company. But why, the locals ask you, why aren't tourists coming?

Basically tourists the world over are almost totally disinterested in politics. There are, of course, some who will never visit Spain, Bulgaria, Chile or China because they are opposed to the Governments in power, but they are in such a minority as to be ignored in statistical terms. Basically tourists are simply interested in security — the knowledge that they can reach their destination when they choose, move about as they want, walk the streets at night without risk of injury, and leave for home when their tickets tell them. Any country which offers potential delay, inconvenience or, above all, danger, to the tourist will be dropped like a hot potato.

Politics and tourism make a bad mix, and two recent conversations illustrate the problem. Last week-end an Algarve restaurateur looked at his waiting tables and said simply: "We have had our revolution, and now we must pay the price." And in Jamaica a Government Minister remarked: "No, I do not want tourism to be of prime importance in our economy. Reliance on tourists restricts your opportunity for progress."

In tourist terms, therefore, Portugal's problem is to get through the next year, and that is not as easy as it sounds. The holidaymakers are not going to return in force until they see some continuous run of calm and, unfortunately for Portugal, that will mean rather more calm than would be expected of other countries. Recently, for example, air traffic controllers in Portugal have been working to rule, a practice not unknown elsewhere in Europe, but one which at the moment is likely to be blamed on factors other than normal industrial dispute by visitors to Portugal.

The calm need only last for a few months because tourists have remarkably short memories. The street riots of Paris greater co-operation with tour operators; closer links with political turmoil, the Maltese East European worker organisations to encourage traffic from all produce dramatic short-term fall-offs in tourist traffic. But the accent was on the words "tourist traffic".

This is all very well for the outsider, or for the overall all this can be achieved without policy maker, to say. But in disturbing the long-established

limited liability and making many more jobs will be involved during the construction phase over the next five years — and at a time when the construction industry is in severe crisis.

Most building in Portugal before April 25 was ordered by private developers with the State accounting for only around 15 per cent. of the market — a very small share compared with France or Britain.

This is gradually changing and the Government has injected substantial sums into construction this year, both to rebuke the building industry and to provide a partial answer to Portugal's acute housing shortage. Some of this cash is now beginning to result in renewed work on site, but it has been a slow start and it is to be hoped more money will be made available in the near future to re-inspire confidence in the building sector and get private investors moving back into the market.

Investment Since the revolution, industry has suffered not only from liquidity shortages through the banking sector but from a lack of investment from Portuguese entrepreneurs. The closure of the Stock Exchange deprived managers of earnings on share capital and of the possibility of raising new capital through public new issues.

The problem however is more deep rooted than mere lack of cash. Private industry here are increasingly aware of the narrow scope afforded private enterprise. Legislation passed in June removing virtually all notions of

pattern of Portuguese tourist development which has concentrated on low rise buildings and a style of architecture which does not clash too badly with traditional buildings.

Most welcome in Britain will probably be the easing of rules on charter flights. For many years now charter operations into Portugal have been limited, partly in order to preserve the up-market image and partly to protect the interests of the national airline, TAP. At the moment the main operators into Portugal are people like Harry and Rene Chandler's Travel Club, which has probably been Portugal's staunchest supporter over the years. British Airways via its four operating subsidiaries, and more recently Horizon Midlands which seems to have found a remarkably popular product in its Portuguese holidays and is one of the new darlings of the Portuguese travel industry.

Several other operators are now negotiating with Lisbon and it seems likely that many more of them will be offering Portuguese holidays in the coming months. At the moment, of course, Portugal is not exactly bursting with hotel rooms by international standards.

The entire international standard (rooms with baths, telephone, etc.) bedstock of the Algarve is probably less than some individual Spanish resorts. So there is no prospect of Portugal becoming a mass destination in the immediate future.

Low-price But things are already looking brighter. Mr. J. M. de Almeida Reis, deputy director of the Portuguese National Tourist Office, says there has been a major upward surge in bookings for Portugal since the late Spring. He argues that this surge will continue through the summer and into the winter — when we will be launching a new series of low-price package holidays.

TAP is carrying more people to Faro than in the past and British Airways says its traffic has recovered substantially with figures now almost level with last year.

Mr. Chandler says: The Algarve is ideal holiday country at the moment. Because of the earlier falling off in traffic, the roads are almost empty and prices show hardly any rise over those of last year. Although our overall bookings are down 30 per cent. on 1974, we are completely full for mid-July onwards through August. There is still some room in September, but we expect this month to book up fully too.

Arthur Sandles

Hesitant tourists

EXPORTING PORTUGUESE EXPERTISE

Portuguese Firm Awarded Important Dewatering Contract for Bahrain Shipyard

Sondagens e Fundações A. CAVACO LDA.,

a well-known Portuguese Company specialising in ground water and soil survey operations has been awarded the Dewatering Contract for the new dry dock in Bahrain by ASRY — Arab Shipbuilding and Repair Yard.

The firm of A. CAVACO has only recently completed the dewatering of the dry dock at the Setubal yards of Setenave — one of the biggest dewatering jobs ever carried out in the world for size of excavation and amount of water pumped. It took two years to complete this operation.

The project in Bahrain has been designed by A. CAVACO's Planning Department and will be executed by their own Portuguese technical staff, co-operating with skilled local personnel from Bahrain.

Joint Consulting Engineers for the project are GIBB-PROFABRIL, an association of Sir Alexander Gibb & Partners, of London, and Profabril, Centro de Projectos S.A.R.L. of Lisbon.

The dewatering work will start in August 1975, and will go on for four months.

Sondagens e Fundações A. CAVACO LDA. Rua Rodrigo da Fonseca, 62, r/c Esq. LISBON, Portugal. Telex 12476 ACAVAC P.

The award of the contract is clearly a resounding victory for the esteem in which Portuguese planning and engineering techniques are held internationally, as the choice of firm was only made after rigorous selection among world-renowned companies in this highly specialised field.

A. CAVACO LDA. has been operating in Lisbon for close on 20 years and now employs more than 500 people including civil engineers, geologists, hydrogeologists, drillers and other specialists with a large accumulated experience in both Europe and Africa of all types of soil-engineering problems.

Textil Manuel Gonçalves, S.A.R.L.

Vila Nova de Famalicão—Portugal

THE LARGEST PORTUGUESE EXPORTER OF TEXTILES

- Spun knitting yarns.
- Woven and knitted fabrics for outerwear, shirts and blouses.
- Industrial fabrics made from spun yarn or filament for P.V.C., polyurethane and rubber impregnation.
- P.V.C. or polyurethane impregnated fabrics for the bag, upholstery and car industries, tarpaulins and workwear.
- Flexible containers up to 1.5 tons.
- Inflatable-houses.

U.K. SALES OFFICE:—

Textil Manuel Gonçalves, S.A.R.L.
Wilbraham Road
Chorlton-cum-Hardy
Manchester M21 1BR

OUTERWEAR AGENTS:—

Engel & May Ltd.
18/19 Warwick Street
London W1R 6ND

INDÚSTRIAS TEXTÉIS SOMELOS S.A.R.L.

Guimarães, Portugal.

SPINNING, WEAVING, FINISHING

YARNS: 100% cotton
50/50 and 67/33 "Terylene"/Cotton
67/33 "Terylene"/Viscose
"HELANCA" stretch nylon for hosiery and weaving

FABRICS: Shirting, trousering, sheeting, rainwear
Made-up sheets in Terylene (ICI)/Cotton

U.K. REPRESENTATIVES:—

WALTON INTERNATIONAL TEXTILES,
Terminus House, 125/129 High Street, Edgware,
Middlesex HA8 7JX

M. H. SHALAM & SONS,
11, St. Aldwyns Road, Manchester M20 9JR
GEORGE ANDREW AND SONS LTD.,
Austen House 14/16 Charlotte Street, Manchester M1 4PL

هكذا في الأصل

(g)
00217
3.26
6.86
3.68

INSURANCE, PROPERTY, BONDS

5111

OFFSHORE AND OVERSEAS FUNDS

11111

Warehouse Import Free World Fund Ltd. Keytex Mngt. Jersey Ltd. Samuel Montagu Ltd. Agts.

1994

Master Rep. B.C.A.	01-348	Batterfield Bldg., Hamilton, Bermuda	P.O. Box 98, St. John's, Barbados, Barbados	U.S. Old Street St., K.C.I.	01-598					
DMSV.1B	\$176 +\$1.00	7.26	Fovoxelc Swr/PnT75	2.14	+Anchor H/L Edge 69.06	0.10	+10.18			
cb	DMSV.2B	\$162 +\$1.00	6.28	Keysolex Int'l.	57.38	7.81	3.07	+Anchor H/L 183.85	1.12	3.64
cb	DMSV.3B	\$162 +\$1.00	6.28	Fovoxelc Europ.	1.58	2.24	3.28	+Anchor 'S' Unit 359.79	0.74	3.40
cb	DMSV.4B	\$162 +\$1.00	6.28	NAYJune 30	US\$199.22	+2.51	-	-	-	-

OFFSHORE AND OVERSEAS FUNDS

10

BRITISH FUNDS

[illegible]

INDUSTRIALS-Continued

TRUSTS							MINES						
Stocks		Price	Last	Div	Yld		CENTRAL RAND						
					Cvt	Gr	Dividend	Stock	Price	Last	Div	Yld	
							Per						
Mine	See List	344	10 1/2	14 1/2	1 1/2	3 3/8	8 1/2						
South	See List	37	11 1/2	5 1/2	1 1/2	3 1/2	8 1/2						
	Do " "	58											
	See List	77 1/2	11	7 1/4	1 1/2	3 3/8	8 1/2						
June	See List	128	5 1/2	18 1/2	4	5 1/4							

362	12.6	1040c	1.3	÷
-----	------	-------	-----	---

[illegible]

FS.

[illegible]

ND PLATINUM

[illegible]

211	211	211	211
-----	-----	-----	-----

[illegible]

123	271	182.5	0.9	10.3
140	55	843.9	1.4	12.1
64	26	30	4	14.4

[illegible]

1

[illegible]

ed or deferred.

[illegible]

ed dividend: cover relates to
ed on latest annual earnings.
d on previous year's earnings.

[illegible]

NOTES

Unless otherwise indicated, prices are in pence, denominations are 10p and dividends are in net percentages terms. Estimated figures are marked with an asterisk. All figures are based on latest available reports and accounts and, where possible, are updated on the basis of the most recent information available. Dividend yields are based on a 365 day year, and A.C.T. of 35 per cent. F.T.B. are calculated on the basis of net distribution; branch figures include interest on foreign investments.

1. Dividend yields are based on the previous year's earnings on "maximum" distribution. Yields, assuming commencement of net distribution, are indicated on middle prices on middle prices, are given and allow for value of declared dividends and rights.

2. Securities with accumulations after that sterling are quoted in sterling.

3. Not complete.

4. A sterling denominated security which includes investment dollars: premium.

5. "Dry" Stock.

6. Rights and Loans marked thus have been adjusted to allow for rights issues for cash.

7. Interest not interest or returned.

8. Interest since deferred, passed or deferred.

9. Bank and non-bank.

10. Dividend yield.

11. Dividend and insurance reserve calculations may include calculations of dividend.

12. Price of share.

13. Indicated dividend after pending scrip and prior rights issues.

14. Price of share.

15. Price of share.

16. Price of share.

17. Price of share.

18. Price of share.

19. Price of share.

20. Price of share.

21. Price of share.

22. Price of share.

23. Price of share.

24. Price of share.

25. Price of share.

26. Price of share.

27. Price of share.

28. Price of share.

29. Price of share.

30. Price of share.

31. Price of share.

32. Price of share.

33. Price of share.

34. Price of share.

35. Price of share.

36. Price of share.

37. Price of share.

38. Price of share.

39. Price of share.

40. Price of share.

41. Price of share.

42. Price of share.

43. Price of share.

44. Price of share.

45. Price of share.

46. Price of share.

47. Price of share.

48. Price of share.

49. Price of share.

50. Price of share.

51. Price of share.

52. Price of share.

53. Price of share.

54. Price of share.

55. Price of share.

56. Price of share.

57. Price of share.

58. Price of share.

59. Price of share.

60. Price of share.

61. Price of share.

62. Price of share.

63. Price of share.

64. Price of share.

65. Price of share.

66. Price of share.

67. Price of share.

68. Price of share.

69. Price of share.

70. Price of share.

71. Price of share.

72. Price of share.

73. Price of share.

74. Price of share.

75. Price of share.

76. Price of share.

77. Price of share.

78. Price of share.

79. Price of share.

80. Price of share.

81. Price of share.

82. Price of share.

83. Price of share.

84. Price of share.

85. Price of share.

86. Price of share.

87. Price of share.

88. Price of share.

89. Price of share.

90. Price of share.

91. Price of share.

92. Price of share.

93. Price of share.

94. Price of share.

95. Price of share.

96. Price of share.

97. Price of share.

98. Price of share.

99. Price of share.

100. Price of share.

101. Price of share.

102. Price of share.

103. Price of share.

104. Price of share.

105. Price of share.

106. Price of share.

107. Price of share.

108. Price of share.

109. Price of share.

110. Price of share.

111. Price of share.

112. Price of share.

113. Price of share.

114. Price of share.

115. Price of share.

116. Price of share.

117. Price of share.

118. Price of share.

119. Price of share.

120. Price of share.

121. Price of share.

122. Price of share.

123. Price of share.

124. Price of share.

125. Price of share.

126. Price of share.

127. Price of share.

128. Price of share.

129. Price of share.

130. Price of share.

131. Price of share.

132. Price of share.

133. Price of share.

134. Price of share.

135. Price of share.

136. Price of share.

137. Price of share.

138. Price of share.

139. Price of share.

140. Price of share.

141. Price of share.

142. Price of share.

143. Price of share.

144. Price of share.

145. Price of share.

146. Price of share.

147. Price of share.

148. Price of share.

149. Price of share.

150. Price of share.

151. Price of share.

152. Price of share.

153. Price of share.

154. Price of share.

155. Price of share.

156. Price of share.

157. Price of share.

158. Price of share.

159. Price of share.

160. Price of share.

161. Price of share.

162. Price of share.

163. Price of share.

164. Price of share.

165. Price of share.

166. Price of share.

167. Price of share.

168. Price of share.

169. Price of share.

170. Price of share.

171. Price of share.

172. Price of share.

173. Price of share.

174. Price of share.

175. Price of share.

176. Price of share.

177. Price of share.

178. Price of share.

179. Price of share.

180. Price of share.

181. Price of share.

182. Price of share.

183. Price of share.

184. Price of share.

185. Price of share.

186. Price of share.

187. Price of share.

188. Price of share.

189. Price of share.

190. Price of share.

191. Price of share.

192. Price of share.

193. Price of share.

194. Price of share.

195. Price of share.

196. Price of share.

197. Price of share.

198. Price of share.

199. Price of share.

200. Price of share.

201. Price of share.

202. Price of share.

203. Price of share.

204. Price of share.

205. Price of share.

206. Price of share.

207. Price of share.

208. Price of share.

209. Price of share.

210. Price of share.

211. Price of share.

212. Price of share.

213. Price of share.

214. Price of share.

215. Price of share.

216. Price of share.

217. Price of share.

218. Price of share.

219. Price of share.

220. Price of share.

221. Price of share.

222. Price of share.

223. Price of share.

224. Price of share.

225. Price of share.

226. Price of share.

227. Price of share.

228. Price of share.

229. Price of share.

230. Price of share.

231. Price of share.

232. Price of share.

233. Price of share.

234. Price of share.

235. Price of share.

236. Price of share.

237. Price of share.

238. Price of share.

239. Price of share.

240. Price of share.

241. Price of share.

242. Price of share.

243. Price of share.

244. Price of share.

245. Price of share.

246. Price of share.

247. Price of share.

248. Price of share.

249. Price of share.

250. Price of share.

251. Price of share.

252. Price of share.

253. Price of share.

254. Price of share.

255. Price of share.

256. Price of share.

257. Price of share.

258. Price of share.

259. Price of share.

260. Price of share.

261. Price of share.

262. Price of share.

263. Price of share.

264. Price of share.

265. Price of share.

266. Price of share.

267. Price of share.

268. Price of share.

269. Price of share.

270. Price of share.

271. Price of share.

272. Price of share.

273. Price of share.

274. Price of share.

275. Price of share.

276. Price of share.

277. Price of share.

278. Price of share.

279. Price of share.

280. Price of share.

281. Price of share.

282. Price of share.

283. Price of share.

284. Price of share.

285. Price of share.

286. Price of share.

287. Price of share.

288. Price of share.

289. Price of share.

290. Price of share.

291. Price of share.

292. Price of share.

293. Price of share.

294. Price of share.

295. Price of share.

296. Price of share.

297. Price of share.

298. Price of share.

299. Price of share.

300. Price of share.

301. Price of share.

302. Price of share.

303. Price of share.

304. Price of share.

305. Price of share.

306. Price of share.

307. Price of share.

308. Price of share.

309. Price of share.

310. Price of share.

311. Price of share.

312. Price of share.

313. Price of share.

314. Price of share.

315. Price of share.

316. Price of share.

317. Price of share.

318. Price of share.

319. Price of share.

320. Price of share.

321. Price of share.

322. Price of share.

323. Price of share.

324. Price of share.

325. Price of share.

326. Price of share.

327. Price of share.

328. Price of share.

329. Price of share.

330. Price of share.

331. Price of share.

332. Price of

Monday July 7 1975

BRITISH CASTORS
THE SPECIALISTS
Britannia Works, Tipton.
Tel: 021-557 2485.
Telex: 336230.
EVERED GROUP

Giro makes its first profit in six years

BY MARGARET REID

GIRO, the State-owned cash transfer concern run through the Post Office, is believed to have moved out of loss-making in 1974 for the first time—more than three years ahead of its target break-even date in mid-1977.

In the next few weeks it will be announced that private debt in Giro's first year of operation, the 12 months to March 1975, has made the first profit of its six-year life, compared with a loss of £4.1m. in the previous year.

The improvement in Giro's results owes something to high interest rates which last year boosted revenue from the deposit in the money market of the service's short-term cash balances, exceeding £140m.

But a more important factor lies in rising earnings from the steady build-up in the service's use by major commercial customers, particularly those with extensive chains of High Street branches. To such groups, the ability to pay money into the Giro operates—usually on Saturdays and on late afternoons when the banks are closed—has proved an attractive arrangement.

This progress provides a fitting

prelude to the next stage in the development of Britain's State money transmission service—the promised cancellation of some of the £34m. deficit accumulated since 1968 and its partial replacement by a new equity or "public dividend" capital.

The capital move was fore-shadowed a few months ago by the former Industry Secretary, Mr. Anthony Wedgwood Benn, and it promises to launch Giro on a new phase of its existence, following the effective ending of the deficit well in advance of the time expected, three years hence.

Contributing to the loss in 1973-74 had been a £3.1m. provision for a drop in the value of investments, leaving £1m. as the "trading loss," itself a marked improvement on the corresponding figure of £4.1m. in 1972-73.

Because of the rally in the Stock Market in the early months of 1975, some appreciation in the value of the Giro's investments will be included in the 1974-75 accounts by contrast with the £3.1m. provision for a fall in the previous year. This has helped towards the expected overall 1974-75 profit.

Use of the service, particularly by retailers with a large network of branches, has been actively developed by its present chief, Mr. Alfred Singer, himself formerly in retailing as an assistant director of Tesco Stores (Holdings).

Woolworth is one of the big store chains which has switched to the Giro service, and other companies with widespread outlets, including Prudential Assurance, also use it considerably.

Rent collection for the Greater London Council, and other local authorities, including Manchester, is another Giro service much expanded recently. Giro, started in 1968 and considered for winding up at one stage in the early days of the 1970-74 Conservative Government, has with nearly 500,000 account holders, not yet grown to the scale of its continental counterparts.

The more its activities expand, the better will be its absorption of overhead costs and so the improvement in prospects for future profitability. A recent development which could increase individuals' use of the service has been the introduction of personal loans.

Doctors reject phasing-out of private beds

BY OUR LABOUR STAFF

Delegates representing 30,000 hospital doctors yesterday rejected the Government's decision to phase out private beds from National Health Service hospitals.

They also condemned an interim plan to deal with allegations of "queue-jumping" by fee-paying patients, which involves introducing a common waiting list for public and private beds in the NHS.

The reactions to Government policies came at a conference of the British Medical Association's doctors in Leeds. They were immediately condemned by leaders of health service trade unions.

The debate came on the eve of the BMA's annual meeting which is certain to produce more condemnation of the Government's treatment of doctors over the last year. The private practice controversy is only one of a number of issues still simmering in spite of the doctors' record 35 per cent. salary rise in April.

This week will see accusations by junior doctors that Mrs. Barbara Castle, Secretary of State, is reneging on a commitment to give them a 40-hour working week from the autumn; discontent over the

breakdown of negotiations on consultants' contracts; calls for the BMA to "act like a trade union"; and demands for a doctors' closed shop.

Yesterday, Dr. Walpole Lewis, chairman of the BMA council, said that the phasing out of private beds was only a preparation for the dismantling of the whole private health sector.

He also faces mounting opposition from doctors who dislike what they see as "unprofessional" demands for strict working hours and who have resisted calls for industrial action during the last year.

This disaffection has produced severe tactical splits recently, and fears by some BMA leaders that the Association's whole future is in danger.

Rights issues and shareholders

THE LEX COLUMN

Almost everybody's doing it: but perhaps that makes it a good time for going over the arguments for not having a rights issue. It is not so long, after all, since rights issues were regarded as usually a bad thing, involving something which used to be described as dilution. And for the financial sector in particular, any suggestions in the Press that a company was contemplating approaching its shareholders for funds tended to produce a hostile response, as though the company's very viability had been called into question.

At present, in striking contrast, it takes a very strong-minded finance director to stand out against the trend. Having very likely been scared stiff by what happened to the liquidity of his own and other companies during 1974 he will be determined not to get into anything like the same predicament again. His merchant bankers and brokers will be constantly reminding him of their ability to produce around a fifth of his company's market capitalisation in cash should he give the go-ahead.

However, the BMA, which does not represent all Britain's doctors, will also be considering this week how to bring militant breakaway organisations back to the fold.

It also faces mounting opposition from doctors who dislike what they see as "unprofessional" demands for strict working hours and who have resisted calls for industrial action during the last year.

This disaffection has produced severe tactical splits recently, and fears by some BMA leaders that the Association's whole future is in danger.

Pressures

Moreover there may be severe competitive pressures to follow the path of rivals in a particular sector, where market share may be increasingly at stake. This is true in insurance, for instance, where only Royal General Accident and Eagle Star of the major companies have not had rights issues within the last year, and where the Prudential and Legal & General are bidding for expansion in general insurance on the back of new money. A similar position might arise in banking should any of Lloyds, Barclays or NatWest take the plunge.

Yet there are companies standing out against the tide. Redland had a rights issue, but Marley adopted an alternative policy of loan finance. In mail order Empire Stores' call on shareholders as part of a plan to raise market share contrasts with the apparent willingness of Gratton to see volume fall back. And last week English Property announced its £15m. Convertible in preference to disposing of investment properties "which we would prefer to retain" only to be followed next day by Land Securities' statement of its intention to finance the development programme "from the sale of selective investment properties."

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

The right reason for having a rights issue is to allow a company to take advantage of growth opportunities which cannot be financed out of retentions

English Property in fact argues that its policy is not really different—it has disposed of 25 per cent. of its U.K. portfolio since late 1973 against 10 per cent. or so in the case of Land Securities. But not only has the latter not had an issue, it has actually been buying in existing Convertible—GEC has on a larger scale, the £54m. spent in this way during 1974-75 being responsible for a quarter of the growth in fully diluted earnings per share.

As for the City, there is a general feeling that it is a good thing for money to be raised for industry, and that the stock market is somehow superior to what is happening in the real world of allowing people to buy and sell securities. But it is just as wrong for the City to play the numbers game with capital issues, without regard to the

and where borrowings might over prudent limits. But no record indicates that all to either to finance excessive high-risk expansion or to make up for the deficiencies of the existing rate of cash generation.

The difficulty is that there are no accepted ways of measuring the way shareholders' interests are being diluted. It is hard to talk about asset dilution: who property values are increasing and as for earnings, they are declining anyway for most companies; inflation accounting is still an undeveloped art which does not figure at all prominently in rights issue documents. There is a tendency to fall back on spurious arguments, such as that companies are somehow doing their shareholders' favour by taking money from them and paying it back as increased dividends. In fact most of the recent capital raises, like Metal Box or BOC—have an unrecovered ACT problem in any case.

Financial sector

For companies with large overseas interests—English Property, BOC, Bowater and RTZ would all come under the heading, with others—there is largely unspoken justification for having rights issues in the U.K. This is that in order to hold on to their increasing valuable (in sterling terms) overseas investments, and to avoid having to raise overseas earnings, it may be worthwhile to raise cash in the domestic market to cover dividends over the next few years and to maintain the parent company's capital base. This is rarely argued out in detail, but in times of threatened hyperinflation it could certainly be held to be in the shareholders' long run interests.

Among domestic companies, however, the dilemma is where more acute than in the financial sector. As Mr. Joseph Hambro put it in his chairman's statement last week, inflation is having a particularly serious effect on "financial institutions whose assets are mostly in monetary form." For them there is no stock appreciation tax relief. Only the Bank of Ireland has admitted that inflation adjusted earnings were nil. Yet the financial sector has made a disproportionate claim on the availability of new capital.

likely return on say £1.5bn. of new equity money this year, as it is for politicians to regard capital investment as a good in itself and not as a cost.

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

The right reason for having a rights issue is to allow a company to take advantage of growth opportunities which cannot be financed out of retentions

likely return on say £1.5bn. of new equity money this year, as it is for politicians to regard capital investment as a good in itself and not as a cost.

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

The right reason for having a rights issue is to allow a company to take advantage of growth opportunities which cannot be financed out of retentions

likely return on say £1.5bn. of new equity money this year, as it is for politicians to regard capital investment as a good in itself and not as a cost.

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

The right reason for having a rights issue is to allow a company to take advantage of growth opportunities which cannot be financed out of retentions

likely return on say £1.5bn. of new equity money this year, as it is for politicians to regard capital investment as a good in itself and not as a cost.

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

The right reason for having a rights issue is to allow a company to take advantage of growth opportunities which cannot be financed out of retentions

likely return on say £1.5bn. of new equity money this year, as it is for politicians to regard capital investment as a good in itself and not as a cost.

Consider the following list of companies: Triumph Investment, Western Credit, W. and C. French, Bovis, British Leyland, Downgate and General Shipyard Automation. They are all companies which had rights issues in the last year during 1974 and 1975, and such firms appear to have demonstrated more than average accident proneness. Other larger companies in the same category like Lyons, Lucas and Provident Financial have shown poor subsequent price performance without actually getting into serious trouble.

Early decision expected on NVT investment

BY ARTHUR SMITH

HOPES ARE mounting that there will be an early decision on the urgent appeal by Norton Villiers Tripartite for the Government to invest a further £50m. in the company.

The final report of a study into the future of the U.K. motorcycle industry, commissioned by the Department of Industry and carried out by the U.S.-owned Boston Consulting Group, is expected to be completed by the end of this week.

Mr. Eric Varley, the Industry Secretary, has refused to take a decision about NVT until he has seen the report.

Moreover, whether the Government feels free to enter into any commitment with NVT may depend upon the success of negotiations with the TUC about pay restraint and consequent decisions about public spending.

Mr. Denis Poore, chairman of NVT, was "pessimistic" last night about the prospects of Government investment. "So far we have had no constructive proposals from the Department of Industry," he said.

A serious situation faced the company. "In the absence of Government support it will not be possible to have three factories producing motorcycles—that is the NVT units at Birmingham and Wolverhampton plus the Meriden co-operative.

About 3,500 jobs were threatened at the NVT factories, component suppliers would be hit and more than 7,000 jobs in the Midlands would be at risk. "I only hope that the Industry Secretary and the Cabinet are

aware of the issues," Mr. Poore said.

One of the first decisions of NVT, which was formed two years ago with nearly £5m. of Government money, was to close the loss-making Tripartite works at Meriden—subsequently re-established as a co-operative.

Mr. Poore has said consistently that a three-factory set-up would need at least £35m. investment in new equipment and models to remain viable.

The crisis point for the industry has come with the collapse of the American market, which accounted for more than 70 per

cent. of British output.

Mr. Poore said that a decision would be taken about short-time working, or possible redundancies until the annual holidays, which begin on July 28. "What happens after that will depend upon the Government's decision."

The fact that the Export Credit Guarantee Department refused to extend to NVT a £5m. line of export credit, which expired on June 30, has been taken as a pointer that Mr. Varley may not take a sympathetic view of the NVT appeal for further investment.

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Callaghan flies to Zaire to-morrow

BY OUR FOREIGN STAFF

MR. JAMES CALLAGHAN, the Foreign Secretary, will arrive in Zaire to-morrow evening to discuss the future of Ugandan-British relations, the Foreign Office announced yesterday.

Specifically, he will discuss with President Mobutu, who is acting as mediator between the two countries, the future of Mr. Denis Hills, now that Mr. Hills has been granted "clemency" by General Amin.

But Mr. Callaghan is flying to Zaire basically to get an appointment with the President of Mobutu's offices, with Gen. Amin. Whitehall does not believe that any improvement in Ugandan-British relations can be achieved through third parties.

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

TUC meets over £6 flat rate

BY JOHN ELLIOTT, LABOUR EDITOR

UNION leaders meet this morning in an emergency session of the TUC Economic Committee to prepare the way for the TUC to adopt flat-rate rises of £6 a week as its official policy for the coming year.

They will be presented with a draft TUC policy statement which contains new social contract wage guidelines based on £6 a week, with the higher paid—possibly those on £10,000 a year—receiving nothing.

Union leaders also want strict price controls, including a freeze on some key prices, and a Government agreement to the fixing of a specific reduction in unemployment next year with the aim of bringing the level down to 500,000.

The £6 is in line with the Government's 10 per cent. inflation target set last week by Mr. Denis Healey, Chancellor of the Exchequer, and the proposed policy statement marks the

beginning of a new era of social contract wage guidelines based on £6 a week, with the higher paid—possibly those on £10,000 a year—receiving nothing.

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Background noise while Ministers were speaking had resulted from technical problems and could be dealt with.

Both IRN and the BBC are submitting their views of the experiment to the Commons Sermons Committee which will make recommendations to Parliament. A full debate of the issue is not expected until October.

Editorial comment, Page 12

Continued from Page 1

Wilson appeal

Such a composite is likely to attract the support only of the 11 few Derbyshire delegates who appear to hold the balance of power between the votes already committed to the militant and moderate factions—if it embodies the spirit of the amendment from the militant Kent area.

This amendment seeks to harden the North West motion by deleting a statement that the £100 "may not be attainable in one round of negotiations."

Derbyshire delegates decided last night to abstain in the vote on the Yorkshire resolution. But it, as some moderates' delegates have urged, the Kent amendment is withdrawn, they will reconsider that decision.

Should Derbyshire abstain, all eyes would be on the Midlands area delegates who—although mandated to support the York-

shire resolution—may yet switch their allegiance at the last minute, as they did a year ago, when they swung the conference behind the moderate line.

In the light of these deep divisions, it is quite possible that all the pay resolutions could be defeated, leaving the NUM executive to draw up a statement on wages to put to the conference.

NUM moderates are understood to be considering moving an emergency resolution suggesting the moves for a revamped social contract.

But at the same time they are due to come under attack in an emergency motion from the militant Scottish miners, who will seek to persuade the conference to oppose any restriction on free collective bargaining, including the Government's proposed 10 per cent. limit.

Continued from Page 1

Cabinet chooses

very closely with Ministers for some weeks.

The most likely, although by no means certain, candidate for resignation is believed to be Anthony Wedgwood Benn, the Energy Secretary, who sees himself as the leader of the Left.

The Government believes that for any emergency legislation to go through Parliament Labour will need some support from "incomes policy" Tory MPs as well as Liberals and some of the Nationalists.

It feels that the White Paper is bound to produce protests from the Tribune group of Labour MPs and a few others in the important trade union group, but that their revolt on any Commons vote will probably be smaller than the noise they create.

Basle talks to cover anti-inflation bid in U.K.

By Michael Blanden

PROSPECTS FOR fundamental reform of the monetary system and the position of the U.K. after the Government's anti-inflationary measures are the main points which are likely to come up for discussion at the Basle meeting of central bank governors to-day and to-morrow.

The talks will be the last before next month's annual meeting of the International Monetary Fund in Washington where developments in monetary reform will be reviewed.

Last month, the second meeting in Paris of the interim committee set up last September to examine the problems involved failed to reach agreement on the three basic points under discussion.

These points were: An increase in the quotas of IMF members; the future role of gold in the international monetary system; and the question of establishing formal rules to govern the floating of currencies. The issue which has proved difficult to resolve is the role of gold, where France and the U.S. continue to disagree.

Last week's auction of 500,000 ounces of gold by the U.S. Treasury, where European buyers dominated the purchases, was in line with the U.S. approach of reducing the role of gold in international affairs.

Apart from examining these general issues ahead of the IMF meeting, the governors are likely to consider the position of individual currencies, particularly sterling.

Mr. Gordon Richardson, Governor of the Bank of England, is likely to explain the recent developments in the U.K. Following the drop in the average value of sterling to all-time lows, the Government's policy for restraint on incomes in order to bring the level of inflation under control have restored calm to the exchange markets.

Towards the end of last week sterling was holding its own but the markets are expected to watch closely the details of the new policy to be announced in this week's White Paper.

You think you've got problems bringing up children.

We've got 7000.

If you're bringing up a family you'll know the problems only too well.

And the only difference between our problems and your problems is that Barnardo's has over 7000 children to care about. Children of all colours and creeds. Children with family problems, or only one parent, or no parents at all.

To give all these children a better chance in life, we run homes, schools and Day Centres. We provide a wide range of services for the handicapped. We work to keep families together. It all takes a lot of love and Christian charity. It also takes money. And there's not so much of that around.

If you'd like to help Dr. Barnardo's, a donation is the quickest and easiest way. Or you could remember us in your Will, make out a Deed of Covenant or join a local fund raising group.

And if you'd like a good reason why you should help our family, we can give you 7000.

We can't give unless you do.

Barnardo's
Britain's largest child care charity.

I enclose a donation of £1 □ £2 □ £5 □ £10 □ £20 □ £...
I would like to know more about Wills/Covenants.
I would like to know how I can help Barnardo's (tick box).
(Make cheque/PO payable to Dr. Barnardo's).

NAME (Please print clearly) _____
ADDRESS _____
Post to: Dr. Barnardo's, Dept. W1 127,
Barkingside, Ilford, Essex IG6 1QG.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Station House, Cannon Street, London EC4A 3DF.